Constitution", which appeared soon after the Revised Provisional Constitution was adopted. This article was published in all the more important newspapers in China and received much favorable comment.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

1. Memorandum by Chinese Secretary.
2. "The Constitutional Compact":
   PEKING DAILY NEWS of May 20th.
3. Organization of Administrative Council:
   PEKING DAILY NEWS of May 5th.
4. Organization of Military Council:
   PEKING GAZETTE of May 11th.
5. Organization of Salt Gabelle:
   PEKING DAILY NEWS of May 18th.
6. Official System for the Provinces:
   PEKING GAZETTE of May 25th.
7. Organization of the Advisory Chamber:
   PEKING GAZETTE of May 26th.
8. Memorandum by Asst. Chinese Secretary.
9. "The Amended Provisional Constitution", by Dr. F. J. Goodnow: PEKING DAILY NEWS (pamphlet), May 14th.

800.

Enclosure No. 1 in Despatch No. 255
- 5 JUN 1914
, 191 , from
the American Legation at Peking.

Memorandum

(By the Chinese Secretary.)

Subject: Development of Government Organisation.

May 30, 1914.

On May 5, 1914, the Chinese Secretary had the honor to submit a short Memorandum with reference to the Constitutional Compact (formerly called the Revised Provisional Constitution) which was promulgated on May 1, 1914, including therein a synopsis of the principal events in the way of governmental development from the outbreak of the Revolution in 1911 up to May 2, 1914, when the President by Mandate dissolved the Cabinet.

There is attached to this Memorandum a translation of the Constitutional Compact prepared by Mr. Sao-ke Alfred Sze, Master of Ceremonies in the President's Office, Mr. T. Y. Lo (Lo Chung-i), in the same department, Dr. F. J. Goodnow, and Dr. N. Ariga, the two latter both Legal Advisers to the President. It may be considered, therefore, as the official and authoritative translation.

The following list indicates the more important governmental developments that have taken place since May 2, 1914:

On

On May 3, 1914, a Presidential Mandate promulgated the organization of the Administrative Council (Chêng Shih T'ang).

On May 8, 1914, a Presidential Mandate promulgated the organization of the Military Council.

On May 15, 1914, the organization of the Salt Gabelle was promulgated.

On May 20, 1914, the organization of a Local Constabulary was promulgated.

On May 23, 1914, the Official system for the Provinces was promulgated.

On May 24, 1914, the organization of the Advisory Chamber was promulgated. (Ts'an Chêng Yuan)

* * * * * * * * * * * * * * *

The Administrative Council (Chêng Shih T'ang).

This body, at the head of which is the Secretary of State (Kuo Wu Ch'ing) with a Senior and Junior Under Secretary of State to assist him (Tso Ch'êng - Yu Ch'êng), is the office through which the President exercises his powers as Chief Executive. There are in it five bureaux and one department as follows:

Bureau of Legislation Bureau of Confidential Affairs
" " Civil Service " " Accounting
" " Printing and Foundry
Department of General Affairs.

The Military Council (Lu Hai Chün Ta Yuan Shuai T'ung Shuai Pan Shih Ch'u - literally "Office of the Commander in Chief of the Army and Navy.")

This Council is composed of the Minister of War, the Chief of the General Staff, the Minister of Marine, an officer, or officers, of high rank appointed by the Commander in Chief, i.e. the President, and the Chief of the General Bureau of the Council. It is the organ through which the President exercises his powers as Commander in Chief of the military and naval forces of the Republic (see Article XXIII of the Constitutional Compact).

The

The Salt Gabelle. (Yen Wu Shu)

The Minister for Finance is ex officio the Director General of the Salt Gabelle Departmentsk. But the actual Departmental Chief is nominated by the President.

The duties of the Salt Gabelle Department are performed by one Department and two Bureaux, i.e., the General Affairs Department, and the Salt Production Bureau and Salt Conveyance and Consumption Bureau. The functions of the General Affairs Department are supervisory in their nature and those of the two Departments are indicated by their names. Article XV. of the Regulations provides for the employment of foreigners in the Gabelle, in the following words:

> "The Salt Gabelle Department may, for the purpose of transcribing documents and the dealing with other matters, employ assistants or hired persons."

Local Constabulary (Pao Wei T'uan).

This organization, which is composed of citizens, corresponds almost exactly with the militia organization in the United States. It is trained and in time of necessity may be called into requisition. It is recruited and supported locally. It is designed to supplement the provincial police, but may possibly be the beginning of a national conscription system.

Official System for the Provinces. (Shêng Kuan Chih)

In this system the commonly-accepted Chinese principle of making the superior responsible for everything under his jurisdiction is carried out to its fullest extent. The executive, or territorial, officials created

by

by the system are of three grades: a Provincial Governor (Hsün An Shih), an Intendant of Circuit (Tao Yin), and a District Magistrate (Hsien Chih Shih).

The Governor nominates all the Magistrates in his province and may remove the Tao-yin by impeachment. He may be specially instructed by the Central Government to assume the direction of the finances and legal machinery of the province and be invested with the requisite powers thereto. He has control of all military forces in the province except the regular army and the navy.

The Tao-yin has powers in his circuit almost corresponding to those of the Governor in his, subject, of course, to review.

The Magistrate, again, has similarly wide powers in his district.

The Provincial Bureau of Finance (Ts'ai Chêng T'ing) and the provincial law courts have yet to be established.

The system now inaugurated would seem to a European to leave the way open for a recrudescence, or continuance, of the faults of provincial administration existing under the Manchu rule, but it is undoubtedly framed on basic principles to which the Chinese have always been accustomed and under which the Empire attained a prosperity and strength that at present it lacks. The system may, therefore, serve as an efficient transitional expedient until the time when, the country have been reduced to order, trade and industry having been fostered and the revenues of the country having been restored to at least their former amounts, an organized civil service

may

may be created that whall leave less power to the higher ranks of officialdom in the matter of appointing their subordinates, in other words, that shall present less opportunity for a "spoils system". It is, perhaps, superfluous to call attention to the resemblances between the present system and that obtaining under the monarchical régime.

The Advisory Chamber (Ts'an Chêng Yuan).

This Chamber is composed of between fifty and seventy members, all appointed by the President. From the qualifications as set forth in Article VII. of the Regulations of the Ts'an Chêng Yuan it would appear that the intention is not only to provide the Chief Executive with a body of men capable of giving him expert advice on various matters of public policy, but to enable him to secure in support of his actions the strength of public opinion as represented and influenced by the prestige of men of national reputation. This view is supported by the functions of the Chamber as defined in the Constitutional Compact, in which it is noticeable that the approval of the Chamber is necessary especially in those instances where the President will be called upon to act either in opposition to the will of the Legislature (Li Fa Yuan), or without its expressed consent. For instance, in Article 17 "The President, with the concurrence of the Ts'an Chêng Yuan, may dissolve the Legislature". In Article 20, "***at a time of urgent necessity when the Legislature cannot be convoked, the President,

with

with the concurrence of the Ts'an Chêng Yuan, may issue emergency ordinances having the force of law;". In Article 34 it is stated that the President may, "with the concurrence of the Ts'an Chêng Yuan withhold promulgation of any bill passed by the Legislature. Article 2 of the Regulations of the Ts'an Chêng Yuan give it powers in the interpretation of the Constitutional Compact and laws passed in connection therewith, evidently a most important function, and designed to strengthen the hands of the President.

Thus in routine matters the Ts'an Chêng Yuan has no part in legislation or government, except that previous to the convocation of the legislature it fulfils that body's functions.

One of the most significant duties of the Advisory Chamber is to be the preparation of a draft of the permanent Constitution for submission to a National Convention, a duty enjoined upon it by Articles 59 and 60 of the Constitutional Compact.

The name "Ts'an Chêng Yuan" has also been translated "Council of State".

. . . . . .

Enclosure No. 8 in Despatch No. 255
- 5 JUN 1914, 191[illegible], from
the American Legation at Peking.

Memorandum of the Assistant Chinese Secretary.

The officers and members of the Advissry Chamber (参政院) were appointed by Presidential Mandate on May 26, 1914.

Following the American practice the Vice President of the Republic was selected as the President of the Chamber. The Vice Presidency of the Chamber was given to a high official who had lately held the post of Minister of Education.

The seventy Members were appointed by a set of seven Mandates, the object being apparently to group them under the following seven classes:

(1) Foreign affairs experts.
(2) Members versed in the administration of the country.
(3) Lawyers.
(4) Military men.
(5) Members versed in frontier matters.
(6) Scholars.
(7) Business men.

Except for the lawyers, and most of the scholars and business men, the Members of the Chamber have nearly all held important offices, and many have reached to the highest positions obtainable both under the Manchu and the Republican regimes. Thus there are two Ex-Premiers, one former Member of the Grand Council under the Old Empress Dowager, three prominent Ex-Viceroys, twelve Ex-Ministers, two of whom were Ministers of Foreign Affairs, and fourteen Ex-Governors. Many prominent scholars are also included in the list, there being five Hanlins

and twelve

and twelve Metropolitan Graduates (Chin Shih).

The presence of so much experience and ability in the Advisory Chamber should tend to strengthen the prestige of the Administration in the eyes of the Chinese.

G. P. Kenney

Assistant Chinese Secretary.

June 2, 1914.

MEMBERSHIP OF THE ADVISORY CHAMBER (TS'AN CHENG YUAN).

OFFICERS

(Appointed by Presidential Mandates, dated May 26, 1914).

President, Li Yuan-hung, Vice President of the Republic of China.

Vice President, Wang Ta-hsieh, Member of the Advisory Chamber.

Chief Secretary, Chang Kuo-hsin.

MEMBERS

(The seventy Members (Ts'an Cheng) of the Advisory Chamber, whose names are given below, were appointed by seven Presidential Mandates, dated May 26, 1914, the intention being apparently to group the Members under seven classes as indicated).

(1) Members Versed in Foreign Affairs.

Wang Ta-hsieh
Native of Chekiang. Provincial Graduate. Secretary, Board of Foreign Affairs, Sept., 1903. Minister to England, Sept., 1905. Vice President, Board of Foreign Affairs, Nov., 1906. Special Commissioner to study the British Constitution, Sept., 1907. Proceeded to England, Spring, 1908. Vice President in Charge of Granaries, July, 1908. Vice President, Board of Communications, Aug., 1908. Minister to Japan, May, 1910. Minister of Education, Sept. 11, 1913.to Feb. 20, 1914. Director of the Administrative Court (P'ing Cheng Yuan), Mar. 31, 1914. Relieved of Directorship of Administrative Court and appointed Vice President of the Advisory Chamber, May 26, 1914.

Lu Cheng-hsiang

Minister to Holland, November, 1905. Delegate to the Hague Conference, May, 1907. Minister to Holland(renewed), March, 1908. Star of 2nd class, 1st division, Feb., 1909.

Minister to Russia with rank of Vice Minister of a Board, Sept. 14, 1911. Minister of Foreign Affairs, Mar. 30, 1912. Acting Premier, June 17, 1912. Premier, June 29, 1912 to Sept. 22, 1912. Minister of Foreign Affairs, Nov. 15, 1912 to Sept. 4, 1913.

Lien Fang

Chinese Bannerman. Interpreter (French) to Tsungli Yamen for many years. Metropolitan rank, 4th grade, July, 1901. Vice President, Board of Foreign Affairs, July, 1901. Negotiated Swedish treaty, June, 1908. Star of 2nd class, 1st division, Feb., 1909. Tartar-General, Chingchow, Hupei, May, 1910. Retired illness, Sept., 1910.

Li Chia-chü

Chinese Bannerman. Metropolitan Graduate, 1894. Literary Chancellor, Hupei, 1904. Do., Fengtien, 1905. Jun. Councillor, Board of Education, June, 1906. Commissioner to Japan to study Constitution, Mar., 1908. Assistant Founder of the Senate, Sept., 1909. Jun. Vice President, Board of Education, Apri, 1910.

Vice Chairman of the Constitutional Assembly, Mar. 22, 1911. Chairman of the Chamber of Laws of the Grand Secretariat, June 19, 1911. Acting Chairman of the Constitutional Assembly, Aug. 31, 1911. Chairman, Do., Oct. 9, 1911.to Jan. 26, 1912.

Chang Yin-t'ang

Native of Kwangtung. Assistant Resident, Tibet, Dec., 1906. Acting Jun. Councillor, Board of Foreign Affairs, July, 1908. Senior Councillor, Do., Jan., 1909. Minister to the United States, Aug., 1909.

Li Kuo-chieh

Native of Anhui. Third Marquis, Grandson of Li Hung-chang. Dep. Lieut. General, Banner Forces, Canton, Sept., 1904. Senior Councillor, Board of Commerce, Aug., 1908. Minister to Belgium.

(2) Members experienced in the administration of the country.

Ch'ü Hung-chi

Ch'i Hung-chi

Native of Hunan. Hanlin. Literary Chancellor, Szuchuan, Sept., 1891. Sub-Chancellor, Grand Secretariat, Oct., 1897. Vice President, Board of Ceremonies, Mar., 1899. President, Censorate, Nov., 1900. President, Board of Works, Mar., 1901. Acting in Grand Council, June, 1901. Government Council, June, 1901. Minister, Board of Foreign Affairs, July, 1901. Yellow Riding Jacket, Sept., 1901. Associate Director of Railways and Mines, Jan., 1902. Grand Council, Jan., 1902. Member of Finance Committee, Oct., 1903. Assistant Grand Secretary, Feb., 1906. Removed from office, June, 1907.

T'ang Ching-ch'ung

Native of Kwangsi. Metropolitan Graduate, 1871. Sub-Chancellor, Grand Secretariat, Nov., 1895. Vice President, Board of Ceremonies, Oct., 1897. Vice President, Board of Works, Oct., 1902. Literary Chancellor, Kiangsu, 1904. Jun. Vice President, Board of Civil Appointments, Nov., 1906. President, Board of Education, April, 1910. Minister of Education, Nov. 16, 1911.

Lu Hai-huan

Native of Chihli. Provincial Graduate. A Chief Secretary, Tsungli Yamen. Minister to Germany, June, 18 1897. Jun. Vice President, Board of Civil Office, Nov., 1900. President Censorate, Aug., 1901. Minister, Board of Foreign Affairs, Nov., 1901. President, Board of Works, Feb., 1902. Commissioner for tariff revision, 1902. President, Board of War, Jan., 1906. President, Board of Foreign Affairs, June, 1907. Comptroller General of the Revenue Council, Sept., 1907. Director-General, Tientsin-Pukow Ry., Jan., 1908. to July, 1909.

Chairman of the Red Cross Society, Nov. 13, 1911, and again Oct. 18, 1912.

Yu Shih-mei

Native of Kwangsi. Metropolitan Graduate, 1880. Commissioner of Education, Kwangtung, May, 1906. Jun. Vice President, Board of Communications, May, 1907. Commissioner to Germany to study the Constitution, Sept., 1907. Sen. Vice President, Board of Civil Office, Apr., 1910.

Hsiung Hsi-ling

Native of Hunan. Metropolitan Graduate, 1894. Act. Commissioner of Foreign Affairs, Hupei, Aug., 1910 Associated himself with the Revolutionists in his native province, 1911.

Minister of Finance, Mar. 30 to July 14, 1912. Military Lieut. Governor of Jehol, Dec. 22, 1912. Premier, July 31, 1913 to Feb. 12, 1914. Minister of Finance in addition, Sept. 11, 1913 to Feb. 9, 1914. Director General of the National Oil Fields, Mar. 4, 1914.

Yen Hsiu

Yen Hsiu
Native of Chihli. Metropolitan Graduate. Sen. Vice President, Board of Education, Aug., 1906.
Minister of Education, Feb. 20, 1914 (did not accept.

Chou Hsueh-hsi
Native of Anhui. Provincial Graduate. T'ung-Yung Tao, Chihli, 1906. Ch'ang Lu Salt Commissioner, Chihli, Jan., 1907. President of Anhui Ry. Company, Mar., 1908.
Minister of Finance, July 26, 1912 to Sept. 4, 1913. Comptroller General of the Revenue Counsil, Dec. 18, 1912.

Liang Shih-yi
Native of Kwangtung. Metropolitan Graduate, 1894. Secretary to T'ang Shao-yi, 1906. Chief of Department, Board of Communications, 1907. Director of Railways, Do., 1907. Assist. Director of the Bank of Communications, 1907. Sen. Secretary, Board of Communications, July, 1909. Act. Junior Councillor, Board of Posts & Communications, May 27, 1910. Acting temporarily Vice Minister of Posts & Communications, Nov. 16, 1911. Acting Director of Imperial Chinese Posts, Dec. 11, 1911. Acting Minister of Posts & Communications, Jan. 4, 1912. Chief of the President's Secretariat, 1912 to May 4, 1914, when the Secretariat was abolished. Acting Vice Minister of Finance, May 11, 1913. Comptroller General of the Revenue Council, May 2, 1914.
Delegate to the Provisional Constitutional Conference, Mar. 3, 1914.

Liang Ch'i-ch'ao
Native ofKwangtung, Associated with K'ang Yu-wei, in 1898 and exiled in consequence.
Minister of Justice, Sept. 11, 1913 to Feb. 20, 1914. Director General of the Currency Bureau, Feb. 19, 1914.

Pao Hsi
A Manchu. Metropolitan Graduate, 1892. Literary Chancellor, Shansi, 1904. Sub-Chancellor, Grand Secretariat with rank of Vice President, Board of Ceremonies, 1906. Acting Vice President, Board of Finance, May, 1907. Do., Board of Education, Sept., 1907. Do., Subst., May, 1908. Sen. Vice President, Board of Education, April, 1910.
Dep. Lieut. General, Bordered White Mongol Banner, Dec. 25, 1912. Lieut. General of the Bordered White Chinese Banner, Apr. 16, 1913.
Delegate to the Administrative Council (Cheng Chih Hui I), Dec., 1913. Delegate to the Provisional Constitutional Conference, Mar. 3, 1914.

Wang Chia-hsiang
Native of Chekiang.

Wang Chia-hsiang
Native of Chekiang. Member of the National Council. Member of the Upper House of the National Assembly, 1913. President (Speaker) of the Upper House.

Ch'en Han-ti
Chief Secretary of the Cabinet.

(3) Members with a knowledge of Law.

Shih Yü
Vice Chairman of the Chamber of Laws of the Grand Secretariat, Feb. 7, 1912. Chairman of the Bureau of Laws (Fa Chih Chü), July 30, 1912. Member of the Bureau of Preparation for the opening of Parliament, Aug. 17, 1912. Chief of the Bureau of Laws of the Administrative Council (cheng Shih T'ang), May 4, 1914. Member and Vice Chairman of the Provisional Constitutional Conference, Mar. 13, 1914.

Wang Yu-ling
Known as one of the most prominent Chinese lawyers in Peking.

Wang Shih-ch'eng
Native of Kiangsu. Member of a Commission for the reorganization of the laws, Aug. 31, 1912.
Councillor of the Bureau of Laws, July 19, 1913.
Delegate to the Provisional Constitutional Conference, March 13, 1914.

Li Yuan
Member for Kueichow of the Administrative Council (Cheng Chih Hui I), Dec., 1913. Delegate to the Provisional Constitutional Conference, March 13, 1914.

Ch'en Kuo-hsiang
Delegate to the Provisional Constitutional Conference, March 13, 1914.

Teng Jung
Delegate to the Administrative Council, Dec., 1913. Delegate to the Provisional Constitutional Conference, March 13, 1914.

Ch'eng Shu-te
Delegate to the Provisional Constitutional Conference, March 13, 1914.

Chu Wen-shao
Delegate from Chekiang to the Administartive Council, Dec., 1913. Delegate to the Provisional Constitutional Conference, March 13, 1914.

Wang Yin-ch'uan

Wang Yin-ch'uan

Delegate to the Administrative Council from Honan, Dec., 1913. Delegate to the Provisional Constitutional Conference, March 13, 1914.

Hu Chün

(4) Military Members.

Yin Ch'ang

A Manchu. Dep. Lieut. General, 1901. Attached to Prince Ch'un's Embassy to Germany, July, 1901. Minister to Germany, Aug., 1901. Renewed, Dec., 1904. Provincial Commander-in-Chief, Kiangpei, Sept., 1906. Vice President, Army Board, Nov., 1906. Minister to Germany for second time, Sept., 1908. Acting President, Board of War, March, 1910. Minister of War, Dec. 4, 1910. Commander-in-Chief of the Imperial Forces against the Revolutionists, Wuchang, Oct., 1911. Chief of the General Staff, Nov. 11, 1911. Resigned.

Rank of General, Dec. 15, 1912. Commandant of the Military Attendants, May 9, 1914, and also Executive Officer of the Office of the Commander-in-Chief of the Army & Navy.

Sa Chen-ping

Native of Fukien. Licentiate. Brigade General, 1902. Admiral commanding Peiyang squadron, 1903. Admiral, Kwangtung, Aug., 1905. Admiral of the Fleet, July, 1909. Accompanied Prince Tsai Hsün on naval mission to Europe, Japan, and America, 1909 and 1910.

Minister of Marine, Nov. 16, 1911. Admiral, Dec. 8, 1912. Chief of the Sungkiang and Shanghai water police, Aug. 14, 1913. Executive Officer of the Office of the Commander-in-Chief of the Army and Navy, May 9, 1914.

Ts'ai E

Commanding Officer of the 37th Brigade, with rank of Lieut. General, Oct. 16, 1911.

Military Governor of Yunnan, July 12, 1912 to Dec. 26, 1913. Delegate to the Administrative Council (Cheng Chih Hui I), Dec., 1913.

Chiang Tsun-kuei

Lieut. General, June 29, 1911. Military Governor of Chekiang, July 12, to July 23, 1912. Delegate to the Administrative Council, Dec., 1913.

Hsü Shao-chen

In command of the 9th Division, Nanking. Acting Commander-in-Chief, Kiangpei, May, 1908. Chief of General Staff, April, 1912. Relieved from post and appointed Superintendent of Granaries, Apr., 1912.

Wang I-t'ang

Wang I-t'ang

(5) Members experience chiefly in governing the Chinese frontiers.

Chao Erh-hsün

Chinese Bannerman. Metropolitan Graduate, 1874. Prefect of Kueiyang. Taotai. Judicial Commissioner, Anhui, 1895. Do., Shansi, 1898. Financial Commissioner, Shansi, 1902. Governor, Hunan, Jan., 1903. President, Board of Revenue, Dec., 1904. Tartar General, Mukden, May, 1905. Viceroy, Szuchuan, May, 1907. (did not proceed). Do., Hu-kuang, Sept., 1907. Do., Szuchuan, Mar., 1908. Tartar General, Ch'engtu, in addition, Oct. 20, 1909. Imperial Commissioner and Viceroy of Manchuria, Apr., 20, 1911.

Li Ching-hsi

Native of Anhui. Licentiate. Taotai, Szuchuan, 1887. Salt Taotai, Hunan, 1893. Judicial Commissioner, 1897. Financial Commissioner, Fukien, 1898. Do., Yunnan, 1899. Governor, Kwangsi, Apr., 1901. Do., Yunnan, June, 1901. Acting Governor, Kueichow, Jan., 1903. Governor, Kwangsi, May, 1904. Viceroy, Yün-Kuei, Feb., 1909.

Chairman of the Administrative Council (cheng Chih Hui I), Dec. 12, 1913.

Ting Chen-to

Hsi Liang

A Mongol. Metropolitan Graduate, 1874. Prefect, Shantung. Taotai, Shantung, 1896. Taotai, Shansi, 1898. Judicial Commissioner, Shansi, 1898. Do., Hunan, 1899. Financial Commissioner, Hunan, 1899. Governor, Shansi, 1900. Governor, Honan, 1902. Lieut. Governor, Jehol, May, 1902. Viceroy, Min-Che, Apr, 1903. Acting Viceroy, Ssuchuan, June, 1903. Subst., Sept.1904. Viceroy, Yün-Kuei, Mar., 1907. Viceroy, Manchuria, Feb., 1909. Retired, Apr., 1911. Lieut. Governor of Jehol, Nov., 1911. Resigned, Feb., 1912.

Yuan Shu-hsün

Native of Hunan. Licentiate. Prefect, Tientsin. Taotai, Hupei, 1901. Taotai, Shanghai, 1901. Governor of Peking, Feb., 1906.(did not proceed). Acting Governor, Shantung, Apr., 1908. Subst., July, 1908. Act. Governor General, Liangkwang, June, 1909. Degraded and left at post, Oct., 1910.

Feng Hsü

Feng Hsü
Native of Kiangsu. Metropolitan Graduate, 1886. Tertius. Taotai, Shansi, 1902. Judicial Commissioner, Szuchuan, 1905. Financial Commissioner, Anhui, 1905. Governor, Anhui, 1907. Removed from office, 1908.

Sun Yü-chün
Military Governor of Anhui, 1912. Delegate to the Administrative Council (Cheng Chih Hui I), Dec., 1913.

Chao Wei-hsi
Native of Kiangsi. Metropolitan Graduate, 1890. Literary Chancellor, Kweichow, 1901. Acting Police Taotai, Kansu, Jan. 29, 1911. Judicial Commissioner, Kansu, Nov. 30, 1911. Acting temporarily Governor General of Shen-Kan, Mar. 14, 1912. Acting Military Governor of Kansu, Mar. 15, 1912. Assistant Pacificator (Fu Hsüan Fu Shih) of Kiangsi, July 17, 1913. Resigned as Military Governor of Kansu, Mar. 15, 1914. Delegate to the Administrative Council, and also to the Provisional Constitutional Conference.

Na Yen-t'u
A Mongol. Prince of the 1st Order. Lieut. General in Banner Corps. Superintendent of Customs, Peking, 1896. Lieut. General Red Banner, 1898. Commandant of the "Chien-Jui-Ying", 1908. Tartar General, Tarbagatai. Delegate to the Administrative Counsil, Dec., 1913. Delegate to the Provisional Constitutional Conference, 1914.

Sung Hsiao-lien
Native of Kirin. Taotai, Heilungkiang, Oct., 1910. Acting Governor of Heilungkiang, Feb. 5, 1912 to Feb. 8, 1913.

Li Sheng-to
Native of Kiangsi. Metropolitan Graduate, 1890. Secundus. Hanlin. Minister to Japan, 1898. Vice Governor, Peking, Dec., 1900. Member of Duke Tsai Tse's Mission to Foreign Countries, 1905. Minister to Belgium, 1906. Judicial Commissioner, Shansi, Mar. 24, 1911. Civil Governor, Shansi, Mar. 15, 1912. Delegate to the Provisional Constitutional Conference, Mar. 13, 1914.

Fan Tseng-hsiang
Native of Hupei. Metropolitan Graduate, 1877. Taotai, Anhui, 1901. Judicial Commissioner, Shensi, 1901. Do., Chekiang, 1903. Do., Shensi, 1903. Financial Commissioner, Shensi, 1904. Cashiered, Jan., 1907. Rank restored, Jan., 1908. Financial Commissioner, Nanking, Spring, 1908. Acting tempswarily as Liang Kiang Viceroy and Commissioner of Trade, June 28, 1909.

Yao Hsi-kuang

Mao Ch'ing-fan
Native of Kiangsu. Superintendent, Kiangnan Arsenal, 1903. Taotai, Chihli, 1904. Do., Hupei, 1905. Do., Chihli, 1905. Commissioner of Education, Kiangsu, May, 1907. Financial Commissioner, Kansu, Aug., 1908. Degraded, Dec., 1909. Acting temporarily Shen-Kan Viceroy, June 23, 1909.

Jao Han-hsiang
Acting Commissioner of the Interior, Hupei, Nov. 9, 1912. Acting Civil Governor, Hupei, Sept. 25, to Dec. 12, 1913. Delegate to the Administrative Council, Dec. 12, 1913. Member of the Qualification Examination Commission of the Provisional Constitutional Conference, Mar. 4, 1914.

A-mu-erh-ling-kuei
A Mongol. Prince of the 1st Order, 1891. Great grandson of Prince Seng-ko-lin-ch'in. Lieut. General Bordered White Chinese Banner, Jan., 1910.

Liu Jo-tseng
Native of Chihli. Metropolitan Graduate. Chinkiang Taotai, 1906. Director, Court of Sacrificial Worship, 1906. Vice Director, High Court of Justice, Nov., 1906. Commissioner for the redrafting of the laws, March 22, 1911. Acting Chairman of the Chamber of Laws of the Grand Secretariat, June 25, 1911. Chief Justice of the Supreme Court, Jan. 3, 1912. Provincial Treasurer, Chihli, Dec. 23, 1912. Commissioner of the Interior, Chihli, and also Acting Commissioner of Finance, Jan. 28, 1913. Acting Civil Governor, Chihli, July 17, 1913. Delegate to the Administrative Council, Feb. 19, 1914.

Ch'en Yü
Commissioner of Finance, Shansi, Feb. 15, 1913. Temporarily Acting Civil Governor, Shansi, May 13, 1913. Civil Governor, Shansi, June 4, 1913.

Li K'ai-hsien
Native of Hupei. Licentiate. Taotai, Kwangsi, 1909. Chief of Staff to the Military Governor of Kwangtung, Aug. 27, 1913. Acting Civil Governor of Kwangtung, Sept. 13, 1913.

T'a-wang-pu-lu-k'o-cha-lo
A Mongol. Delegate to the Administrative Council, Dec., 1913.

(6) Members known for high scholastic attainments.

Wang K'ai-yün

Wang K'ai-yün
An aged scholar, native of Hunnan. Adviser to Duke Tseng Kuo-fan. President, Kiangsi University. Granted Hanlin by the Throne. Chief of the Bureau of National Records.

Yang Shou-ching
A Hanlin.

Lao Nai-hsüan
Educational Commissioner, Nanking. Member of Constitutional Assembly (Tzu Cheng Yuan), 1910. Vice President, Board of Education.

K'o Shao-wen
A Hanlin. Educational Commissioner, Hupei.

Wang Shu-nan Metropolitan Graduate.
Native of Chihli. Magistrate, Szuchuan. Treasurer, Sinkiang (The New Dominion).
Delegate to the Provisional Constitutional Conference.

Yen Fu
Sent abroad to study when young by Duke Tseng Kuo-fan. Has translated many foreign works into Chinese. Adviser to Naval Council, 1910. Director Peking Government University. Member of the Constitutional Assembly (Tzu Cheng Yuan), 1910. Delegate to the Provisional Constitutional Conference, March 13, 1914.

Ma Liang
Native of Kiangsu. A celebrated scholar and educator. Acting Chancellor of Peking Government University, 1912. Delegate to the Administrative Council, 1913. Delegate to the Provisional Constitutional Conference, Mar. 13, 1914.

Ma Ch'i-ch'ang

(7) Members known as business men

Chang Chen-hsün
Native of Kwangtung. A welathy merchant living in Penang, S. S. Owner of the Pioneer Wine Co. in Chefoo.

Liu Chin-tsao

Sung Wei-ch'en

Chê Pen-ch'iao

Sun To-sen
Industrial Taotai, Chihli, Apr. 5, 1910. to Jan. 4, 1912. Commissioner of Industries, Anhui, May 8, 1912 to May 25, 1912. Director of the Bank of China, Dec. 25, 1912. Director General of the Bank of China, April 26, 1913. Civil Governor of Anhui, and Acting Military Governor, June 30 to July 27, 1913.

Li Chan-yang
Delegate to the Provisional Constitutional Conference, representing the Chambers of Commerce of the whole country, March 13, 1914.

Feng Lin-p'ei
Chairman of the Peking Chamber of Commerce. Delegate to the Provisional Constitutional Conference, representing the Chambers of Commerce of the whole country, March 13, 1914.

Li Shih-wei

Diplomatic relations.
China & Japan.

Peking.

C. No. 264.

June 12, 1914.

800

CONFIDENTIAL

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to report on current discussions of the diplomatic relations between China and Japan.

The accession of a new ministry under the premiership of Count Okuma was believed to herald a change in the diplomatic policy of Japan with respect to China. When last monthnthe deaths of the Counsellor of the Japanese Legation here (Mr. Midzuno) and the Japanese Minister (Mr. Yamaza) occurred in close succession, the question of the reorganization of the personnel of the Legation brought the discussion of the Japanese policy in China to the forefront.

The Japanese Premier, Count Okuma, has always advo-

advocated

cated close relationships among oriental peoples. When I had a conversation with him in Tokyo, in October last, he dwelt especially on the importance - to the peace of the world and to the progressive development of the Far East - of a complete understanding between Japan and China and of a complete mutual confidence. He was careful to emphasize that his view of such an understanding conceived of it as resting upon a common basis of civilisation and a common duty of giving far eastern civilisation a chance to maintain itself, and without any afterthought of using such an understanding as a starting point for an aggressive movement against other countries.

Since Count Okuma has come into the premiership, he has at various times pronounced himself in this sense in public addresses, which have no doubt been reported by the Embassy at Tokyo to the Department. These statements have been interpreted here as indicating a desire of the Japanese Government to place its relations with China upon a footing of greater friendliness and frankness.

Hitherto the Chinese Government and the Chinese people in general have looked upon the attitude of Japan as unfriendly, although, of course, correct relations were maintained by the Japanese Government. The action of Japan at Nanking in making a naval demonstration and exacting large indemnities; the unusual size of the claims advanced by the Japanese in consequence of the revolution; the complicity of individual Japanese and, it was believed frequently, also, of Japanese officials in revolutionary movements against the Chinese Government (such as in the instance reported by the American Consul at Chefoo.

at Chefoo, in his despatch No. 113-Confidential, of May 27, 1914, to the Department); and the maintenance of a large Japanese guard at Hankow -- all these were taken to indicate a policy designed to weaken and intimidate the Chinese Government. The refusal of the Japanese Government to accede to measures considered necessary by the Chinese Government, such as the rendering effective of the 5% import duty, the levying of a stamp tax on commercial papers, the prompt payment of revolutionary indemnities, etc., was also set down to a designedly obstructive policy. To this there must be added that wherever a weakness appeared in the political or social life of China, there were always found individual Japanese to take advantage of such evils and to render them still more acute. When provincial bank notes were counterfeited, when noxious morphia were imported to take the place of opium, and firearms were furnished to predatory bands - it was usually believed and often proved that Japanese were actively participating.

It is evident that in Japan it was felt that the policy of basing relations with China upon the claims of superior force, while it might for a time increase the prestige of Japan, would encounter universal passive resistance on the part of the Chinese, and would engender suspicion and hatred: so that every gain achieved would involve a heavy expenditure of diplomatic influence. It is generally believed that at present the Japanese Government is desirous to appeal rather to the friendly sentiments of the Chinese and to a desire to cooperate for the common advancement of the interests of far

of far eastern peoples. So it is also urged in Japan that greater prominence be given to Chinese affairs in the general makeup of Japanese foreign policy, and that as an outward expression of a feeling of high consideration and friendship for China the Legation at Peking should be raised to the rank of an Embassy. Should Japan take the initiative in this matter, she would enjoy the further advantage of having her representative act, probably for a long time, as Dean of the Diplomatic Corps.

While it will not be easy to allay the suspicions entertained among the Chinese as to the designs of Japan, it is evident already that the Chinese are meeting such advances as are being made by the Japanese Government in an appreciative spirit. The effect of a better understanding between China and Japan upon international politics in general, and upon the United States in particular, I shall have the honor to report on in the near future.

As supplements to the foregoing report, I beg to enclose appropriate clippings from the local press. I have the honor, also, to invite the attention of the Department to the despatch (No. 95), of May 20th, addressed by the Consulate-General at Shanghai to the Legation, a copy of which has been forwarded to you.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

As stated.

800.

A true copy of the signed original.

THURSDAY, JUNE 4, 1914.

JAPANESE POLICY IN CHINA.

By a curious coincidence, on the very day of the death of Mr. Midzuno the Japanese Press announced the intention of the Okuma Cabinet to effect a radical change in Japan's policy in China. There seems to be no doubt that the summons of the late Mr. Yamaza to Tokio, for which place he should have left on the 27th ult., was prompted by Baron Kato, the new Foreign Minister, who desired a personal conference with the Japanese Envoy to Peking. It will be remembered that at the time of the fall of the Saionji Cabinet, in December 1912, Baron Kato was Japanese Ambassador in London, and that Prince Katsura recalled him to Tokio with the intention of making him Foreign Minister, Baron Kato, therefore, must have had exceptional opportunities of acquainting himself with the views of the British Foreign Office as to the scope and utility of the Anglo-Japanese Alliance in China. Furthermore, a personal visit to China last year enabled Baron Kato to study the situation on the spot, so that it may be assumed that he possesses very decided opinions and aspirations regarding Japanese policy in China. The fall of the third Katsura Cabinet deprived Baron Kato of the opportunity of putting his policy into practice, and the Yamamoto Cabinet, although not voluntarily hostile to the young Republic was compelled by Japanese opinion to adopt a more vigorous and aggressive policy than had been attempted since the Revolution. The instrument chosen for the enforcement of this "stronger policy" was the late Mr. Yamaza. Mr. Hioki was so popular with Chinese officials and upon such intimate terms with the President, that his recall was decided upon, and with the arrival of Mr. Yamaza there were unmistakeable indications of a change of attitude on the part of the Japanese Foreign Office. However cordial a Diplomat's personal relations may be with the officials of the Government to which he is accredited, he is, of course, bound by the instructions of his Foreign Office, and Mr. Yamaza was no exception to this rule. He arrived in China at a time when there were grave suspicions of Japanese complicity in the Second Revolution, and one of the first questions he had to handle was that of obtaining reparation for the murder of three Japanese subjects at Nanking by General Chang Hsun's troops. In this instance China was undoubtedly in the wrong, and she consented with the best grace possible to the circumstances to Japan's demands, and faithfully carried them out. Most the remainder of Mr. Yamaza's all too brief term of office was overshadowed by the ill-feeling engendered by the Changli incident. Although he took the initiative in securing the recognition of the Chinese Republic by the Powers, and in many other ways attempted to improve Sino-Japanese relations, it cannot truthfully be said that there was any sign of a restoration of cordial feeling between the two Governments, until a few weeks before his death, when a change of Ministry in Japan opened the way for a mutually satisfactory settlement of the Changli case. Since then there has been a marked improve-

ment in Sino-Japanese relations, an improvement which would undoubtedly have been sustained had Mr. Yamaza been spared to reap the fruits of his labours. These fruits will now be reaped by other hands, if the Japanese Government maintains a conciliatory and sympathetic attitude towards the Chinese Republic. Past experience must surely have forced the Japanese Foreign Office to realize that in the long run there is nothing to be gained by an aggressive and arrogant policy towards China. When China is in the wrong it may be necessary to make peremptory and drastic demands to secure reparation, but when she is perpetually browbeaten as part of a consistently aggressive policy, she displays amazing powers of passive resistance as many nations have learnt to their cost. Japan has gained and will gain, nothing by whirling a club round China's head. Except in purely political questions China as well as the other Powers know that such tactics are bluff, pure and simple, and the only result is that subjects of other Powers are placed in an advantageous position when it comes to bargaining for industrial and commercial concessions. Even where bluff and bluster appear to carry the day it is seldom long before China is able to revenge herself upon her tormentors. The decision of the Okuma Cabinet to adopt a new policy *vis-a-vis* China is a tacit admission that aggressive tactics do not pay, and if the lesson of the past twelve months has really been taken to heart we may expect a permanent improvement in the relations between Peking and Tokio. The change will be welcomed by all who are interested in the preservation of peace in the Far East, for strained relations between China and Japan cause no little anxiety in Europe, particularly in those Foreign Offices which are pledged to the principle of preserving China's integrity.

THE
Peking Daily News.

FRIDAY, JUNE 5TH, 1914.

LEGATION OR EMBASSY?

The lamented death of the Japanese Minister to Peking has led to considerable discussion in Japan as to the conduct of Japanese diplomacy in China, and the fact that a general tendency is shown to question its success and doubt its wisdom may be taken as proof that the people of the neighbouring country are not satisfied with the results so far obtained. For instance, the *Japan Times*, a journal which speaks with the voice of authority and which may even be said to be inspired, refers to the sense of loss occasioned by the death of the Minister as an indication that the country "feels the necessity for improving our relations with China," but the subsequent discussion of the subject by the writer would give the impression that Japan was simply unfortunate in being misunderstood by China. We have no wish to cross swords with the *Japan Times*. Rather we welcome its attempts to create a better feeling between the Republic and the Empire. But we cannot concede the point that Japan suffers in China through being misunderstood or misinterpreted. If there be any lack of cordiality between the two nations, the fault certainly does not lie with China. It is due entirely to the bumptiousness which Japan has shown in recent years. The unwisdom of the previous policy having become apparent, the mistake having recognised, Japan now seeks to set out upon another course perhaps more in her own material interest than [illegible]. We do not wish to blink the facts. We are beginning to appreciate the different kinds of friendship. We can distinguish between that which is entirely disinterested and that which is interested. Still, we do not minimise the value of an association based on mutual interest, and we realise that we can have great mutual interests with Japan. We are ready to foster and develop these mutual interests, but this cannot be done if both parties to the agreement enter it with a full appreciation of their obligations to the other. Japan is undoubtedly [illegible] endeavouring to cultivate good feelings with China, but such happy relations can only be secured by Japan proving her *bona fides*, not merely by raising the Legation at Peking to the rank of an embassy, as is now being proposed. Japan's whole policy must be based on the sincere and friendly desire to cultivate good relations with China. Such showy performances as being the first to recognise the Republic and being the first to raise her Legation in Peking to the status of an Embassy are not calculated to deceive any one. China wants more than empty compliments to satisfy her, actions speak louder than words, and if Japan prove a well-wisher of our country we shall gladly testify it, and do all we can to work for a better understanding not only with Japan but with the other nations of the world. If the good wishes of the *Japan Times* were general in Japan we would not have the present lack of sympathy between the two countries, and it may perhaps be worth quoting in conclusion the hopes of the writer mentioned:—

"We should see that the Powers' activities in China are commercial and economic and not political; but

what the agitators clamour for can not but lead us into the political arena, and it is a great mistake at this time for us to set an example of political activity there. Try and find out who are behind those agitators, and it will be discovered that they are persons who neither know nor have any idea as to what to do with concessions obtained. To listen to them in these circumstances would be only to invite China's distrust; indeed, contempt. No, our care, first and last, should be to see that China regains her full independence and be regenerated into a strong and well-governed country, with her teaming millions engaged in prosperous trade and industries in peace and contentment. Imagine and compare a China so rebuilt, and a moribund China as a field of economic and political exploitation for the western Powers. It needs not be told which would be the source of greater danger to us. A China powerful but peaceful and friendly to us should be the key note of our Chinese policy. The realization of such a China will be the true triumph of our diplomacy, and by the side of that great and fundamental problem, all others dwindle into insignificance. We should look to the Government to find Mr. Yamaza's successor in a man who is well able to accomplish this great aim."

NEW POLICY IN CHINA NECESSARY FOR JAPAN

LOVE'S LABOUR IS LOST

"Reform in Japan's foreign policy" is the caption under which the editor of the Shin Koron (New Public Opinion) argues for an innovation in Japan's policy toward the neighbouring Republic.

"The political crises that Japan has had to go through during these last two years," begins he, "have further already hindered our policy which had been rated as inactive. The Japanese thought the cooperation of the five powers interested in the so-called International Syndicate in China would be realized only in political loan bargains, and that the powers would all be free in making economic loans to China, according to their own choice, but again set out the powers in their struggles for railway, mining and other concessions. During all this period, Japan could secure railway concessions in the deserts of Manchuria and Mongolia, but these would bring no material profit to her. Here and there in South China, the Japanese invested in various enterprises, which should have been the means of Japan securing interests in that part of China, which is very rich. These Japanese investments however, have been paid back one after another by the Chinese and the enterprises are quickly passing into the hands of other foreign capitalists. To make the matter worse, Japan's credit is worse than nothing in the eyes of the Chinese authorities, so that many of the important questions remain unsettled between the two countries.

NO FIXED PRINCIPLE.

"Even the authorities at Kasumigaseki may not assure their countrymen that the Chinese have sentiments of respect friendship or reliance towards the Japanese at present. Right now is the time to effect an innovation in our policy in China.

"No other foreign countries are so closely related with China as Japan and no other questions have more important bearing upon Japan than those of China. Therefore, no other nations are so sympathetic with the Chinese as the Japanese. Despite the constant efforts on the part of the Japanese to make the Chinese realise Japan's good intentions, the Tokyo Government could not obtain the confidence of the Peking Government. On the contrary, however, the chivalrous conduct of the Japanese toward the Chinese has done no more than arouse a upicion in the minds of the Chinese. This suspicion towards the Japanese has been further increased of late, as it has been fanned by the other foreign statesmen and capitalists, who are jealous of Japan's influence in China.

"A great defect of Japan's policy in China is the lack of controlling power in the steps taken by the Japanese. The Foreign Office has no power, at present, to control the [illegible] in China, who see no [illegible] with the policy [illegible] public opinion [illegible] different direction [illegible] Foreign Office [illegible] seen impressed that the [illegible] Japanese Legation [illegible] a serious defect in our policy, for it will always cause Japan to hesitate in adopting determined measures.

"Having no fixed principle to guide her policy [illegible] fashions her policy after the ideas of the other powers. Thus after Russia, France and Germany obtained the lease of Port Arthur, Kiaochow and Kiaochow Japan quickly concluded a treaty with China whereby China promised Japan that she would not cede the province of Fukien to any other country. Soon afterwards, seeing England and the United States advocating the policy of the open door and equal opportunity in China, Japan lost no time in modeling her policy after the new ideas. Recently public opinion in England has undergone a change regarding the Chinese question, and is likely to be responsible for the abandonment of the policy of the open door and favour again the former struggles for influence in China. Some of the Japanese diplomats have already come to admit this, without realizing how Japan's interests would be impaired in case that policy is revived.

"No doubt the Anglo-Japanese Alliance constituted a great and safe basis for Japan's diplomacy in China, but it may not be too much to say that the alliance has restricted the actions of the Japanese, so much so that the Japanese diplomats have come to act under the dictates of British diplomats. If we think that the Russo-Japanese war was fought upon the plan laid with the determination of the Japanese statesmen alone, we are mistaken. England, seeing it more convenient for her to drive Russia out of Manchuria with Japan's strength than her own, used every opportunity to stir up Japanese sentiment against Russia. Dr. Morrison, [illegible] correspondent of The Times, may always be champion of the English, who left almost no stone unturned in firing the hostile sentiment against Russia previous to the late war. Thus Japan fought with Russia the bloody war under the indignation of England.

"After the war Japan naturally came to exercise influence both in the North and South of China, and this caused jealousy among the English who subsequently have tried to exclude Japanese influence from the Yangtze valley and invade Japan's sphere of influence in South Manchuria. For this object they acted in such a manner as to make no doubt about their being our allied nation.

"When we see that the same Dr. Morrison is the leader in this British campaign against Japan in China, we may be justified in concluding that the British people, who tried to make profit out of the war between Japan and Russia were disappointed with the results of the war. Both of the allied nations have lost their interest in the alliance, and this has been amply shown by the indifference with which Count Okuma's proposal for the recent alliance was received in England."

The editor of the Shin Koron thus urges the Japanese Government to realize the important position that Japan holds in China, and to try to act upon her own account rather than follow in the steps of others. She is urged to lead the other countries in the questions of China, for which Japan, with her army and navy, is always a protector.—*Japan Advertiser.*

DAILY NEWS. June 9th. 1914.

The New Japanese Minister.

Mr. Eki Hioki, the new Japanese Minister to Peking, was, says the *Japan Advertiser*, born in Ise. He graduated from the Law School of the Imperial University of Tokyo, class of 1888. In the year of his graduation he was appointed an attache to the Japanese consulate in New York and stayed there for a year. In 1891, he was transferred to the Legation in Washington. In 1892, he found himself in St. Petersburg; in 1894, in Seoul, where he stayed for six years until he was transferred to Peking in 1900, where he distinguished himself during the Boxer Uprising. In 1903, he went again to Washington, in 1906 to Berlin.

Mr. Hioki was decorated by the Emperor Meiji with the third class medal of the Rising Sun, and with a grant of a sum of money in 1906, for his distinguished service in connection with the Russo-Japanese War.

When the news of Mr. Hioki's appointment was published yesterday, there was a sense of general disappointment among the Japanese, as they had expected that a man of ambassadorial rank might be appointed the successor to Mr. Yamaza. Although it is highly probable that Mr. Hioki will prove himself equal to the situation yet doubts are expressed in some quarters as to whether he is a big enough man to represent Japan in China at the present time.

These doubts may have sprung from the general ignorance as to the character and potential qualifications of Mr. Hioki. As a matter of fact, very little is known about Mr. Hioki compared with the other diplomats whose names have been suggested as men who could fill the position of Minister to China with

edit. Critics may says go so far to say that Mr. Hioki would only the tool of Baron Kato. long as Count Okuma, the emier, and Baron Kato, the reign Minister, are themselves ng to conduct the diplomacy ating to China one qualification t is most required of the new inister is that of obeying and hfully executing the orders from home government. In this sense Hioki's appointment may prove e a success after all.

PEKING DAILY NEWS, June [illegible], 1914.

Ambassador Wanted.

China is considered the testing point of Japanese diplomacy. The man who should superintend the affairs of the Japanese legation in Peking must be of the first rank in the diplomatic service. This seems to be the general opinion of the Japanese papers which are discussing the choice of a successor to Yamaza.

The *Chugwai Shogyo* says that the difficulty of finding a Minister to China lies in the fact that Japan has not enough able men as candidates to choose from. This scarcity is generally felt throughout the government, diplomatic service is one of the worst in that respect. The reason for this discrepancy is that men are chosen in the diplomatic service after going through various catchy regulations, so that able men who fail to meet the requirements set forth are left in the cold. Certainly the diplomatic service requires experts in the art but that should not be made the excuse for keeping out men of natural ability. The trouble with those who are now in the service is that they are mostly mere clever persons who are handy at anything and everything. There are a very few men among them who possess sturdy character. The new ministry ought to open the door wide to receive into the service men of different characteristics.

The *Hochi* considers that there is no reason why a minister should be sent to China when ambassadors are sent to European and American countries. The China service requires men of especial ability and qualifications.

The *Nihon* say that the difficulty which always presents itself in choosing a minister to China is that a man of the first

[illegible]ank in the Empire's diplomatic service can not be obtained. The veteran diplomats generally go to Europe or America where they can enjoy their leisure, reading books or attending to social functions. Peking which is the most important foreign capital so far as Japan's diplomacy is concerned are sent [illegible] second or third grades. Peking has been considered as a training school for the Japanese diplomats. The Chinese capital is not the place to which embryo diplomats may be sent. These accomplished diplomats should be sent, because there the diplomacy is not confined to dealing with China itself. There the diplomacy with Russia, England, America, France, Germany and other powers. The Empire's representative in Peking must have ambassadorial rank. It is no wonder that a proper man can not be obtained under the present system. The Okuma Cabinet should change this system in order to discharge its responsibility to the nation by making its promises good regarding the reform of China diplomacy.

THE
Peking Daily News.

THURSDAY, JUNE 11TH, 1914.

OPENING THE DOOR.

We have already drawn attention to the change of attitude towards China now being shown by Japan, and as the subject is receiving considerable attention at the present time in the Island Empire and is not without interest to us here, we may be permitted to refer to the matter again, the more so as a new aspect is being discussed in the Japanese press. As already stated, the opinion is growing in Japan that that country's policy in China has been a mistaken one. At any rate, it is frankly recognised that it has been a failure, and the blame for this is laid upon those who shaped Japanese diplomacy. China has been estranged, and as Japan has much to gain from China commercially it is apparent that this result is extremely undesirable, yet the jingoes who in September and October last shouted for armed intervention on the part of the Japanese Government are pleased to forget their former bellicose intentions and now blame their Government for not having been sufficiently conciliatory towards the Peking Government. It is convenient, of course, to have a short memory. Cordial relations with China are now desired, and, as we said before, we shall endeavour to make possible a better understanding with Japan, provided, of course. Japan tears down the barrier she has erected herself if the many press comments we have read on the subject may be taken as evidence, there can be no question that a different policy *vis a vis* China is ardently wished for.

In [illegible] conciliate China may be found the editorial comments of the *Chuwo*. The journal rebukes those who clamour for Japanese intervention in reference to Manchuria and Mongolia, and points out that drastic action on the part of Japan might embarrass President Yuan's position, an outcome which would be little short of calamitious. But the *Chuwo* goes further. It advises the Japanese not to be covetous of the advantages gained by other Powers in China, and to realise that concessions should be acquired by business people themselves and not by the Government. It is the business men who developed Japan's trade by means of their own energies. They have acted under the principle of the open door and equal opportunity. We simply murmur "Perhaps!" However, the journal touches the spot when it declares: "The reason why our activities in China are looked upon with suspicion by the Powers, including Great Britain, is because there is inconsistency in our China policy; namely, that we do not frankly maintain in principle and in practice the policy of the open door and equal opportunity in Manchuria. If we adopt a reasonable policy and open Manchuria to the world, then the Powers may also alter their attitude towards Japan in China. That is how we may expect to lay a basis for the development of our China policy. Our countrymen often try to make Manchuria an exception, and to insist on freedom of action in other parts of China. That argument may go down in Japan but it does not appeal to other nations. Even if we open the door of Manchuria to the free activities of other nations, we will not be relegated to a back seat at all, because we have the geographical propinquity and other

advantages, the effect of which has been shown in middle China. To renounce the idea of monopolizing Manchuria would be the most important step we could take in our China diplomacy."

Were Japan to abandon her dog in the manger policy in Manchuria, she would gain not only the good opinions of China but of the Powers. It would allow the development of Manchuria to proceed on natural lines, and the accruing benefits would be incalculable. But will the military clique, with their additional two division ambitions, sanction such action? or will the clique not insist upon the speedy disposition of Manchuria in order to justify the army increase? The fact that a military man has not been selected to succeed the late Mr. Yamaza would point to the fact that the belligerent politicians had received a set back, and we may therefore anticipate a genuine attempt in the immediate future to foster mutual sympathies and interests between the two countries, but to hope that Japan's business acumen will overcome military apprehensions so far as to throw open Manchuria is perhaps expecting too much even in these days of good wishes and good intentions.

La nomination de M. Hori

et la politique japonaise en Chine

Les journaux japonais n'ont pas laissé passer la mort de S. E. M. Yamaza et la nomination d'un nouveau ministre japonais à Pékin sans se livrer à de multiples considérations en partie rétrospectives, mais s'attachant pour la plupart à démêler dans la situation présente les fils directeurs qui doivent conduire, par une évolution naturelle et une utilisation raisonnée des circonstances, au développement du plus grand Japon. Comme on s'en doute, c'est la note patriotique qui domine dans tous ces articles, mais avec des tons différents et pas toujours d'accord. Il n'est pas sans intérêt de recueillir quelques échos et de tâcher de voir sur quels points vont porter les efforts du gouvernement et du peuple japonais.

On connaît, pour les avoir trouvés exposées ici même avec une abondance de documentation grâce à laquelle le lecteur a pu se former un jugement bien fondé sur la question, les grandes lignes de la politique japonaise en Chine, sous les différents cabinets. Il faut d'ailleurs remarquer qu'elle n'a pas beaucoup varié en ces dernières années, et qu'elle a eu pour but constant le maintien de relations pacifiques entre les deux pays voisins. On constate seulement que les Japonais attachent une importance de plus en plus capitale aux relations avec leurs voisins et, comme conséquence, au poste de ministre à Pékin. Ils ont même soulevé la question de savoir s'il ne conviendrait pas de transformer ce poste en un poste d'ambassadeur et de n'y envoyer que les diplomates éminents, ayant déjà l'autorité d'une longue carrière et d'une compétence unanimement reconnue. Il semble toutefois que cette idée ait été déjà abandonnée. On fait valoir, fort justement, qu'il vaut mieux réserver les mérites qui se sont déjà mis hors du pair pour les postes également très importants de l'Europe, que leur éloignement rend plus délicats à tenir, tandis que la proximité, et la facilité des communications entre Tokyo et Pékin rend ce dernier poste moins périlleux. Il est donc souhaitable d'établir dans ce dernier un homme expert, certes,

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[illegible]

[illegible]

villes chinoises ouvertes au commerce européen, il montre, comme exemple, que les cotonnades [illegible] Anglais, [illegible] par les [illegible] ques eux-mêmes, et non pas par leur gouvernement. Et le baron Kato accuse à son tour l'inertie des commerçants japonais, qui n'ont pas su assez se mettre en relief. Il cite M. Okura, qui a obtenu une mine en Mandchourie ; il est malheureusement le seul. Pourquoi nos Kawasaki et Mitsubishis ne s'efforcent-elles pas comme leurs rivales d'Amérique, de se faire accorder des privilèges ? Le drapeau anglais marche à la suite du commerce anglais, dit-il, tandis que notre drapeau précède notre commerce, heureux quand il en est suivi. La diplomatie assure par ses traités la paix de l'Extrême-Orient, elle assure la protection de nos nationaux, elle est prête à soutenir leurs légitimes entreprises ; c'est maintenant aux commerçants, aux industriels, aux hommes d'affaires de tout ordre, de se mettre à la recherche des entreprises sur une plus large échelle que par le passé. —

La presse commente vivement ces propos. Tous en expriment la confiance dans les capacités de M. Hoki, à quoi bon, dit-elle, avoir à Pékin un représentant habile, si, en effet, nos commerçants, par leur indifférence et leur inactivité, dont a parlé le ministre des affaires étrangères, ne fournissent pas à cette habileté sur quoi s'exercer ?

On peut donc conclure de tout cela, que l'effort du Japon en Chine va être de plus en plus commercial et industriel. Il n'est pas inutile de signaler déjà dans ce sens la conférence sino-japonaise sur le trafic des passagers, l'activité de la Cie sino-japonaise dont M. Shibusawa a précisé le but, et enfin le voyage même du baron Shibusawa à travers la Chine et les paroles qu'il a prononcées dans différentes circonstances.

PEKING DAILY NEWS, June 12th, 1914.

A Sino-Japanese Exhibition.

The *Osaka Asahi*, discussing the relations between China and Japan, thinks it imperative that, if the Japanese are sincerely desirous of drawing the two countries closer, they should make certain sacrifices and concessions to help the neighbouring Republic, which is now struggling hard to maintain her positions against innumerable difficulties, both external and internal. Two years hence China will be raising her tariff by five per cent. for revenue purpose, and the paper advises the Japanese Government not to lose the opportunity now offered of giving consent to the proposal, intead of opposing, as it was rumoured she contemplated doing. Furthermore, the paper suggests the opening of a Sino-Japanese Exhibition, either at Shanghai or Osaka, at an early date, for the purpose of promoting the economic interests of the two nations. The present is not the time for the Japanese people to remain passive and to leave to their Government alone the task of enhancing the relations with other Powers, especially with the neighbouring Republic, but they themselves should take the initiative in the work. The relations between the two Asiatic countries at present are so strained that the Chinese papers published in Peking and Shanghai are almost daily filling their columns with statements hostile to Japan. Baron Shibusawa, during his present tour through China, has been made the centre of attack and criticism by the Chinese Press. For such a regrettable state of affairs, the paper points out, both countries are responsible. The programme of the Japanese military

uthorities for establishing two new
Divisions on the Asiatic Continent,
oupled with the anti Chinese feeling
xpressed by certain sections of the
panese, has caused the Chinese to
ate this country. China, on her
rt, does not yet fully understand
e international relations and the
ue motives of the European Powers
dealing with coloured races, and
forgetting the duties incumbent
on intimate neigbours she is too
termined to maintain her position
an independent State with the
lp of Europeans at a great distance,
ch being the conditions existing
China, the paper expresses pes-
istic views as to the future
ations between her and Japan,
d thinks it will be many years
fore the two peoples come closer
the upholding of the principle of
ia for the Asiatics.

Governmental development

Peking,

No. 281. June 24, 1914.

800

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

In continuation of my despatch No. 255, of June 5th, I have the honor to enclose herewith a memorandum by the Chinese Secretary on the subject of governmental developments between May 25, 1914, and June 20th.

It is a significant fact that the process of creating a government for the Chinese nation out-of-hand is going on apparently without arousing any strong public interest, either by way of commendation or adverse criticism. It is, however, a debatable point how far the enforcement of the Press Regulations, promulgated April 2, 1914, has served to discourage newspaper comment that would otherwise have made its appearance.

I have

I have the honor to enclose herewith certain newspaper translations illustrative of the subject matter of the memorandum.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

Memorandum by Chinese Secretary.
Clippings from the PEKING GAZETTE
of June 15, 16, 18 and 22.

800.

A true copy of the signed original.

Enc. to 281
June 26/14.

Memorandum.

By the Chinese Secretary.

(Continuing the Memorandum of May 30, 1914.)

June 23, 1914.

The following table records the principal Presidential Mandates, legislative and otherwise, from May 26, 1914, to June 22, 1914:

On May 26, 1914, a Mandate abolishing the Administrative Council (Chêng Chih Hui I).

The same Mandate appoints Vice President Li-Yuan-hung President and Wang Ta-hsieh Vice President of the Advisory Chamber (Ts'an Chêng Yuan) (See Memorandum by Assistant Chinese Secretary, June 2, 1914.)

On May 28, 1914, a Mandate authorizing the connecting of the Peking-Kalgan and Peking-Mukden Railways by a line around Peking.

On June 2, 1914, a Mandate defining the Tao, or Circuits, in the Provinces.

On June 5, 1914, a Mandate fixing the scale of punishments for venal offences among officials.

On June 8, 1914, a Mandate relating to the Procedure of the Administrative Court (P'ing Chêng Yuan).

On June 11, 1914, a Mandate prescribing the duties and powers of the Provincial Bureaus of Finance.

On June 11, 1914, a Mandate fixing the powers and duties of the Higher Provincial Courts. (Kao Têng Shên P'an T'ing).

On June 13, 1914, a Mandate directing the Ministry of the Interior and the Revenue Council to draft laws prohibiting the export of antiquities.

On June 15, 1914, a Mandate specially appointing the Governors of the Provinces to supervise the financial affairs of their Provinces (See Article 8 of the Official System of the Provinces and comment thereon, page 4, second paragraph, Memorandum of the Chinese Secretary, May 30, 1914).

On June 16, 1914, a Mandate promulgating the regulations of the Auditor-General's Office.

On June 18, 1914, a Mandate directing the Ministry of the Interior to draft laws relating to Local Self Government.

Comment.

Comment.

The Tao, or Circuits.

There are about ninety Circuits in the Republic. The functions of the Tao-yin, or Intendants of Circuit, are substantially the same as those of the Taotais under the monarchy, although perhaps more extensive. (See Memorandum of CH. Sec. May 30th, "Official System of the Provinces", page 4, paragraph 3). There is on foot a project to make Tao-yin Superintendents of Customs and to entrust them with control of Foreign Affairs, as were the Taotais formerly.

The Administrative Court.

This Court is established to adjudicate charges of breaches of law, or other delinquencies on the part of officials in office. Such charges are brought by the Censors (Su Chêng Shih), and are reported to the President of the Republic, with the findings of the Court, for appropriate action.

Expert of antiquities.

The Mandate of June 13, 1914, contains an excellent resumé of the reasons why a nation should conserve its antiquities and outlines regulations designed to safeguard such in China.

The Auditor-General's Office.

This Office is designed to check irregular action on the part of any official of the Government in the management of financial matters, and to provide the President

dent with useful advice in connection with the budget and national accounting systems.

On the 20th instant Mr. Ting Chên-to was appointed Auditor-General and Mr. Hsü En-yuan Associate Auditor-General. Mr. Hsü would appear from a foreign standpoint the logical candidate for the chief post, since he was educated in England and has been acting chief of the Bureau of Audit, as well as entrusted with responsible duties in connection with currency reform. He enjoys to a high degree the respect and liking of foreigners. Mr. Ting, on the other hand, while he held very high position under the dynasty, having been Viceroy of the Yün-kuei provinces, and Imperial Commissioner for Opium Suppression, is advanced in years, and cannot be presumed to know much about the duties of his position. His reputation, in a general way, is good.

Local Self-Government.

On February 4, 1914, the President by Mandate dissolved the local self-government bodies, alleging that they gave shelter to treasonable undertakings. The idea of local self-government is to be re-introduced with proper safe-guards.

The Ts'an Chêng Yuan (Advisory Chamber).

(See Mem. Ch. Sec. May 30, 1914, and of the Asst. Ch. Sec. of June 2, 1914.)

On June 29, 1914, fifty-three members of this body having arrived in Peking, the opening session took place. The meeting took place in the former Senate Building, and

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as on the occasion of the opening session of the National Assembly on April 8, 1913, the President was not present. The President's speech was read by the Minister of State, His Excellency Hsü Shih-ch'ang. A reply was made to the President of the Republic by the President of the Chamber, Vice President Li Yuan-hung, and an opening speech was also delivered by the latter.

The general tenor of the speeches pointed out the lack of real progress in the formation of a republic and indicated the Ts'an Chêng Yuan as calculated to remedy defects. The President's speech was characterized by the lofty humility that used to mark Imperial Edicts and the reply from the Vice President was not devoid of the praise that formerly characterized Memorials to the Throne. Emphasis in all three speeches is laid on the necessity for adapting the form of government to the needs and circumstances of the nation.

It is sincerely to be hoped, and there is ground for believing that the collective wisdom assembled in this gathering of distinguished men will be able to evolve for the Chinese nation the form of government that will best conserve the liberties and peace of the people.

The Legislature (Li Fa Yuan) is the only really important organ of the Government still to bring into existence, and pending its creation the Ts'an Chêng Yuan will fulfil its functions.

arts have reached a very high state of perfection. All the things which have been preserved and handed down from dynasty to dynasty, and which have been valued and protected by society, are not only intended to be materials for the study of antiquarians, but they are also intended for the preservation of tradition and relics of the nation. However recently it has been reported that many have purchased and transported ancient articles of China to foreign countries. If no prohibition is made, or investigations instituted regarding the free purchase and exportation of them, how can we expect to have anything to hand down permanently to posterity. Therefore hereafter with regard to the regulations governing the purchase and exportation of ancient articles, their classification, investigation, and dealing out of punishments on offenders, they shall be discussed and decided by the Ministry of Interior and the Shuiwuchu, and the decisions shall be submitted for approval and enforcement. The Shuiwuchu shall fix regulations restricting the exportation of ancient articles, and circulate the same to all the Custom Houses for observation. With regard to the preservation of ancient articles it is the duty of the Ministry of Interior, and should there be greedy persons outside Peking secretly selling the ancient articles, they should be strictly dealt with, and the various local officials should thoroughly enforce the prohibitive measures. Thus it will prevent the loss of these ancient articles and it will leave more to the posterity.

REGULATIONS GOVERNING THE CASH SECURITY DEPOSITED BY OFFICIALS WHO HANDLE OFFICIAL FUNDS.

Art. 1. All the officials who have control of receipt, safe-keeping or handling of official funds, should each deposit a certain cash security, which shall be between one twelfth and four twelfths of his annual salary.

The amount of cash security for each post shall be fixed by the Ministry of Finance.

Art. 2. All the officials who have control of offices and departments of Government industrial enterprises, or the officials who have charge of the management of receipts and payments, shall deposit cash securities as above.

The amount of cash security for each post referred to above shall be fixed by the controlling Ministries.

Art. 3. As soon as the official takes over charge of the post he shall deposit the cash security, but at the discretion of the chief official of the controlling office, the amount may be paid by instalments.

With regard to the officials appointed before the promulgation of these regulations, the controlling chief officials shall instruct them to make the deposit within a fixed time.

Art. 4. The bonds of the "6% public loan" may be used for the payment of the cash security.

If the bonds be deposited as cash security, the holders of the same may receive the interest in due time.

Art. 5. The amounts of cash security or the bonds which are used as deposit shall be collected by the controlling chief officials and deposited in the nearest Banks which have been entrusted with the management of the Government Treasury, for safe-keeping.

Art. 6. In case of dismissal, suspension of duty, or transfer, when it is found that there has been no shortage of official funds, or mistakes etc. the cash security or the bonds used in its stead shall be returned to him.

Should there be shortage or mistakes etc., a period shall be fixed within which the official is to make good the loss, and should there be failure at the expiration of the period, the cash deposited shall be used to refund the same.

Should the cash security be in bonds the controlling chief officials may sell them, and after deducting the fees for the sale and the amount owed, the rest of the proceeds will be returned to the owner of these bonds.

Art. 7. With regard to foreigners, who have contracts with the Government, should the controlling chief officials deem it unnecessary to have any such security, they shall be exempt from depositing same.

Art. 8. Detailed regulations for the enforcement of these regulations shall be fixed by the orders of the Ministry.

Art. 9. These regulations shall be enforced from the date of their promulgation.

[illegible]

Art. 1. The Chief of the Finance Bureau, being appointed by the President, shall have control of the officials who collect the revenues of the whole province, investigate the magistrates who supervise over the collection of revenues, manage the receipts and expenditures in connection with taxes and revenue, enforce the various tax systems, collect the remittances of funds from various places under him, devise means for the support of the Central Government for the expenditures for the whole province, manage the Budget, both estimate and execution, and attend to all other matters in connection with financial affairs.

Art. 2. The Finance Bureau shall be under the direct control of the Ministry of Finance, and with regard to the adjustment of funds and all other financial affairs, it shall be directed by the Ministry of Finance. Should there be important affairs, it may send petition direct to the President.

Art. 3. By a special order the Chief of the Finance Bureau shall be under the supervision of the Governor. With the exception of special order from the President or the instruction of the Ministry, the Chief of the Finance Bureau shall manage financial affairs under the direction of the Governor, who shall also supervise him. With regard to the adjustment of expenditures which have been fixed by the controlling Ministries, and the funds which are raised locally, they shall be under the direction of the Governor.

Art. 4. Should the Chief of the Finance Bureau deem the regulations, decisions, or notifications issued by the officials under his control, a violation of law, injury to the public welfare, or infringement of authority, he may suspend or cancel the same. Should magistrates be found guilty of the above the Governor may submit a detailed report to the Governor in order to deal with him, and at the same time inform the Ministry of Finance of the same.

Art. 5. In the 3rd month of each year the Chief of the Finance Bureau shall compile a report on the results achieved by the collecting officials, submitting same to the Ministry of Finance and the Governor. With regard to the report on the results of the receipts of revenue collected by the Magistrates who supervise financial affairs, they shall be investigated by the Governor, who shall transmit same to the Ministry of Finance.

The forms used for the two above reports shall be fixed by the Ministry of Finance.

Art. 6. With regard to the affairs in connection with the receipts of the taxes, the payment of the expenses of the province, and all other receipts and payments, statements and records shall be carefully prepared monthly by the Finance Bureau, which shall submit same to the Governor and the Ministry of Finance.

Ar. 7. The Chief of the Finance Bureau may appoint and dismiss the officials of his own Bureau. With regard to appointments, dismissals, punishments or rewards for the collecting officials, as well as the punishments or rewards for the collecting Magistrates in connection with financial affairs, he may submit a request to the

REGULATIONS GOVERNING THE CASH SECURITY DEPOSITED BY OFFICIALS WHO HANDLE OFFICIAL FUNDS.

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Art. 9. These regulations shall be enforced from the date of their promulgation.

JURISDICTION OF [illegible] BUREAU.

Art. 1. The Chief of the Finance Bureau being appointed by the President, shall have control of the officials who collect the revenue of the whole province, investigate the magistrates who supervise over the collection of revenues, manage the receipts and expenditures in connection with taxes and revenue, enforce the various tax systems, direct the remittance of funds from various places under him, devise means for the support of the Central Government for the expenditures for the whole province, manage the Budget, both estimate and executive, and attend to all other matters in connection with financial affairs.

Art. 2. The Finance Bureau shall be under the direct control of the Ministry of Finance and with regard to the administration of funds and all other financial affairs, it shall be directed by the Ministry of Finance. Should there be important affairs, it may send petitions direct to the President.

Art. 3. By a special order the Chief of the Finance Bureau shall be under the supervision of the Governor. With the exception of special order from the President or the Instruction of the Ministry, the Chief of the Finance Bureau shall manage financial affairs under the direction of the Governor, who shall also supervise him. With regard to the disbursement of expenditures which have been fixed by the controlling Ministries, and the funds which are raised locally, they shall be under the direction of the Governor.

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The forms used for the two above reports shall be fixed by the Ministry of Finance.

Art. 6. With regard to the affairs in connection with the receipts of the taxes, the [illegible] Governor for decision and for transmission to the Ministry of Finance.

Art. 8. The taxes and revenue collected by the Finance Bureau shall all be deposited in the Treasury and transfers can only be made by the order of the President, and payments can only be made from time to time according to the amounts fixed by the Ministry of Finance. Should any payment be presumptuously made beside the above, the offender shall be referred to the Punishment Commission to be dealt with.

Art. 9. These regulations shall come into force from the date of the promulgation.

Regulations governing the organization of the Audit House, which have been passed by the Provisional Constitution Conference, are hereby promulgated.

ORGANIZATION REGULATIONS OF THE AUDIT HOUSE.

Art. 1. The Audit House shall be under the direct control of the President, and it shall, according to the laws of audit, audit and settle the actual accounts of the annual payments and receipts of the nation.

The laws of audit shall be separately fixed.

Art. 2. At the end of every fiscal year, the Audit House shall submit to the President the results of the audit work.

Art. 3. Should there be violation of law and order, or irregularities on the part of the officials of any of the offices and departments regarding the payments and receipts, the Audit House should submit a petition to the President reporting the same.

Art. 4. With regard to the estimated Budget, or any other financial affair, the Audit House may, according to its former experience, offer suggestions to the President.

Art. 5. There shall be one Chief for the Audit House, specially appointed by the President, and he shall have control over the House and direct and supervise all his subordinates.

Art. 6. There shall be one Vice-Chief for the Audit House, appointed by the President to assist the Chief in the discharge of his duty.

Art. 7. There shall be 15 Auditors and 27 Assistant Auditors, who shall be appointed by the President at the request of the Chief of the House, and who shall under the direction of the superior officials, have the management of audit affairs.

Art. 8. There shall be three Departments in the Audit House, and each Department shall be composed of at least three Auditors and 4 Assistant Auditors.

Art. 9. There shall be one Chief in each Department of the Audit House, appointed by the President from among the auditors.

Art. 10. Any of the Auditors or Assistant Auditors shall be at least 30 years of age, and possessing one of the following qualifications:

1. One who has been at least three years a Chief Jen Official, and has achieved meritorious services.

2. One who is a graduate of a course of at least three years' study in a technical or higher college, and has been one year an administrative official.

Art. 11. Unless a sentence for punishment or fine has been passed on the Auditor or the Assistant Auditor, he shall not be ordered to leave his post, nor should his salary be reduced.

The fines referred to above shall be fixed by Law.

Art. 12. Should the Audit House deem it necessary to appoint delegates to investigate the local places in connection with audit affairs, it may send Auditors or Assistant Auditors there to institute an investigation.

Should the auditor or assistant auditor who has been sent to the local places, decide that there have been violations of law and order or irregularities in connection with the payments and receipts made by the officials of the offices and departments there, he shall submit a full report to the Chief of the Audit House.

Art. 13. There shall be one Chief Secretary for the Audit House, appointed by the President at the request of the Chief of the Audit House; and five Secretaries appointed by the Chief of the Audit House. They shall, under the direction of the superior officials manage the documents, accounts and miscellaneous affairs.

Art. 14. The Audit House shall have Accountants, who shall be appointed by the Chief of the Audit House. They shall, under the direction of the superior officials, manage the accounts and their number shall be fixed by a Provisional Order of the President.

INAUGURATION OF THE TSAN CHENG YUAN

The day before yesterday the opening ceremony of the Tsan Cheng Yuan took place in the hall of the former Tsan Yi Yuan. The weather was all that could be desired. Though hot and somewhat sultry at noon it was soon tempered with a cool breeze and a few drops of drizzly rain. In the front of the building the scene was made gay and magnificent by the array of five coloured flags and other decorations. The principal streets in its vicinity were lined with soldiers and police and the congregation of rickshas and carriages almost blocked the streets.

Vice President Li, the Chairman of the Yuan, left the Palace early and by the protected motor car presented to him by the President; he arrived at 11 o'clock at the Tsan Cheng Yuan where he was received by Mr. Wang Ta-hsieh, who had arrived several hours previously. Vice President Li then gave an audience to all the officers of the Yuan and had a long talk with Mr. Wang Ta-hsieh and Mr. Ling Chang-min, the Chief Secretary. Before one o'clock in the afternoon, the members, the President's representative, Mr. Hsu Shih-chang, and the various Ministers, with the exception of Mr. Liang Tung Yen, the Minister of Communications, who was not in Peking, appeared on the scene. They were conducted to the reception rooms specially prepared for them. A greater number of the members were in frock-coats while others were in ordinary ceremonial costume. The oldest of them in age were Mr. Wang Kai-yun, eighty three years and Mr. Yang Su-ching, seventy-six years. The former looked very smart in spite of his age, while the latter seemed to be much older and was supported by two persons when walking.

At one o'clock the meeting was called to order. After the performence of certain exercises Mr. Hsu Shih-chang, the Secretary of State rose on the platform and read the following speech, representing the President :

THE PRESIDENT'S SPEECH.

Since the beginning of the construction of Min Kuo, three years have already elapsed. Recently on account of the internal disturbances created by bad characters, many plans for reform have been frustrated. Although we mourn when we think of the past, we are determined to devize means for developing the administration in future. Regarding the important state affairs, it is necessary that officials, scholars and even common people should be consulted, and with regard to great laws of the government, they should be improved and revised at a time then there is leisure to do so. To perfect the principles handed down from the past is to make new citizens of the people. Therefore for the development of the future condition of the country, we have cherished great expectations.

[illegible] Yuan according to the Constitution Compact and finally selected seventy persons and appointed them Tsan Cheng. Since the appointment we have been privileged to witness these Tsan Cheng arriving at Peking, which place is no doubt proud to see them. Therefore during the inauguration ceremony of this Yuan, I would like to offer a word of praise and encouragement, hoping it will receive your attention.

When I think of my humble self being entrusted with so great a responsibility by the myriads of people to look after the welfare of the nation and the interest of the people, I work with fear and trembling day and night. It is feared that my education and experience are insufficient, therefore the Tsan Cheng Yuan is inaugurated as an organ of inquiries. Thus it is hoped that the weal and woe of the people may be better known. Again it is feared that there will be no means to coordinate the various systems, therefore the Tsan Cheng Yuan is also intended to take temporarily the functions of the Li Fa Yuan. Thus both the officials and the people will have laws to observe. If such great functions are not entrusted to persons of extraordinary ability and talents surpassing those of the ancient people, how can assistance be rendered for the salvation of the nation? With regard to the abilities of the Chairman, Vice-Chairman, and all the Tsan Cheng, they are men who rendered extraordinary merits in the foundation of the Republic, who enjoyed great respect and homage in the late Regime, who are well versed in both the old and new knowledge, or who possess experience and riches. They are the ideal choice, and I may depend upon them for assistance. Moreover in a time like this when the people of the whole country are earnestly yearning for peace and tranquillity, there is no doubt that these gentlemen will never turn a deaf ear to the appeal of the people for peace. One thing should also be noted ; that is, the eyes of foreign nations are also fixed upon you when they study the condition of the country ; and should there be the slightest carelessness, disastrous consequences will follow. Consequently I hope that the gentlemen will exert your utmost energy to develop the administration of [illegible] of perfection. As you [illegible] key to the future prospect of [illegible] am willing to humble myself [illegible] like Chow Kung did towards the men of ability, and it must be remembered that to handle the gigantic state affairs, it is impossible for me to proceed singlehanded. Therefore I appeal to you good officials, and am anxious to record your achievements. I also rub my eyes to witness the merits which will be achieved.

GENERAL.

LI YUAN-HUNG'S REPLY.

In reply vice-President Li Yuan-hung, who was the chairman of the meeting made the following answer on behalf of the members :—

I, Li Yuan-hung, Chairman of the Tsan Cheng Yuan, respectfully represent the Yuan in replying to the speech of the President. By the blessings of God the hope of our people has been realized. The turmoils have again subsided, and things have returned to their normal course. In consideration of the great trust of the people our Great President has achieved the merits of suppressing disturbances. Therefore he has been respected and esteemed by the world, and has become the stay of the people of this country. With regard to the introduction of systems and the plans of reform, it is but right that all should be decided by him as the ore should be melted by the furnace. However he humbles himself, and has inclined his ears to public opinion. He likes to inquire and to consult with others, therefore the present system has been introduced. On the 24th day of the 5th month, the law on the organization of the Tsan Cheng Yuan was promulgated, and I, Yuan-hung, and others have been selected to form this organ of inquiry. During this time of inauguration when we are anxious over the matter, we have the privilege to listen to the plain instructions desiring us to be patriotic for the country and expecting us to be successful in achieving merits. Although we feel ashamed of ourselves, we are greatly encouraged, when we understand that the responsibility of the Tsan Cheng Yuan is both to reply to the inquiries and to take the place of the legislature. At this time when the great calamity is just over and the foundation of the nation just laid, any suggestion made will either caused peace or disturbance for hundreds years to come, and the merit or offence of any word uttered will be known to the world. I, Yuan-hung, and others are so incompetent. How dare we assume such grave responsibilities, for fear that we would disappoint you ? However it is fortunate to note that our Great President is a man of humble spirit. His wisdom is sufficient to discern all proposals, and his character is sufficient to influence all. His understanding is clear as a mirror, therefore there can be no mistake. Although his intellect is so comprehensive, he will never refuse the little assistance others can offer. I, Yuan-hung, and others can only do our best with sincerity and faithfulness, and try our best to assist him. We shall perform our public duty and devize means for the salvation of the nation. Therefore it is hoped that our suggestions will temporarily devize means as did Li Mi in the olden times. We hereby respectfully give the above reply to the President, etc.

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look south while others are [illegible] the old school. The [illegible] combine of the members the [illegible] elements occupy predominance. Some of them are quite advanced in age with their grey locks hanging down while a few still wear their queues. Before the meeting was closed the vice-President delivered the following speech to the assembled members.

OPENING SPEECH OF THE CHAIRMAN.

Gentlemen, this is the first day of the opening of this Yuan, you are men who command the high respect of the people of this country, and on account of this [illegible] patriotism, you have all come to this [illegible]

Yuan-hung, consider myself [illegible] fortunate to be able to gather [illegible] on all. Although our Republic has existed for two years, in fact the foundation of the nation has not been firmly laid. Before the rebellion in the South was suppressed the National Assembly was split into several parties engaged all the time in quarrelling. The result was that no progress was made in any branch of the administration. In this state of things could not last long, so steps were adopted to dissolve the Kuomingtang, and when there was no quorum for the Houses the function of the National Assembly was suspended. Some people blamed the National Assembly for its obstructions and quarrels, while others blamed the Government for the dissolution of the National Assembly. However among the members of the National Assembly there were a number of people who are most enlightened persons, and on the other hand the Government did pay great respect to the National Assembly, and never wished for its dissolution. The mistake is that when the law for the organization of the National Assembly was made no differentiation was provided for the two Houses. Moreover the number of members was too large, making it impossible for them to act with unity, hence no result was obtainable in this session of the Provisional Constitution. This fact was taken as a warning for the [illegible] besides the Li Fa Yuan (Legislative Council) this Yuan is added to form an organ of inquiry, giving a particularity to [illegible] voice, and besides the [illegible] former the latter shall have the [illegible] to act as [illegible] agrees with the [illegible] and is not in conflict with the circumstances of our own country, hence its perfection.

Indeed the Tsan Cheng Yuan has great responsibilities. First, as it is for the inquiry of the Government, it is a Government organ, and consequently we should do our be to assist the Government, making it a strong and powerful Government. With regard to the power of giving approval

as provided for in the Constitutional Compact and the offering of proposals as provided for in Art. 3 of the Law on the organization of the Tsan Cheng Yuan, it is necessary that the real conditions should be considered with a view to the preservation of the general situation. We should not utter unpractical suggestions, nor should we consider the personal blame or praises given by the public, so as to injure the interest of the nation. Secondly, as the Tsan Cheng Yuan is to carry out the function of a legislature, we are representatives of the people. Between the time of the closing up of the National Assembly and the time of the establishment of the Li Fa Yuan, the Government has entrusted this special function to this Yuan. This shows the sincerity of the Government in maintaining the republican form of Government, and we Tsan Cheng should therefore appreciate the sympathy of the Government and should adhere strictly to the republican principles. On one hand we should protect the Government and on the other hand we should urge the Government to enforce all the measures decided. With regard to the Constitution of this country, which affects the foundation of the nation, should too much power be given to the legislature, or to the Government, there will be blunders. The reason the Government gives us the power to draft and to decide the revision of the Constitution is to avoid the above mistakes. Therefore when we come to make the draft of the Constitution we should take both the foreign and the Chinese views, and consider the new and the old circumstances. Everything should be devised according to experience, and not to copy merely the Constitution of other countries so as to make it look nice. We should not take the nominal name of Constitution as did the late regime, which provoked the outbreak of the people. In a word we should try to form the best Constitution, lest there be revisions in the future. Thus we will be able to discharge our duty properly both before the Government and the people.

I, Yuan-hung, am a military man. I have not made any deep study of politics or law, and moreover, as I have not been long in the work of administration, I am unable to speak any word of great experience. Fortunately most of the Tsan Cheng are either my old superiors, friends, or persons for whom I have great respect. Therefore hereafter I hope you Gentlemen will give me good advice.

Then all the persons present made [illegible] bows before the national flag. The inauguration ceremony was thus completed.

The Chairman then stated that three members should be nominated to draft the Standing Orders of the Yuan which proposal was approved by all the members present. As a result, Messrs. Wang Chia-hsiang, Sze Ya, Yen Fu, Pao-Shi, Na Yun-tai, Wang Shih-chen, Mi Liang, Chen Hsi-ai, Yen Hsi-kuan, Wang Yin-ling, Chu Wen-hsiang, Chen Kuo-hsiang, Wang Ting-chuan and others were nominated to undertake the task. After a photo was taken, the members retired at 3.30 o'clock p. m.

At 4 o'clock, a dinner at which the Secretary of State, the Ministers and several other high officials were present was given to the members. During the dinner, Vice President [illegible] lifted his glass and thanked the members for their support. As Mr. Wang Hsi-yuan, the oldest member was absent at that time, Mr. Yang Su-ching, who was next in age, was requested by the members to represent them in expressing their thanks to the Chairman and the Vice Chairman. The party broke up at five o'clock p. m.

The next formal meeting will take place on the 24th. inst during which the draft Standing Orders will be discussed. When the Vice President returned to his residence in the Palace grounds, the streets were also guarded by numerous military and police officers and men.

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Peking,

No. 286.

June 29, 1914.

CONFIDENTIAL

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

In continuation of my despatch No. 264, of the 12th instant, I have the honor to submit the following considerations upon the present international situation in China:

1. - JAPAN.

Concurrently with the indication of a more friendly attitude of the Japanese Government towards China, there exist a number of indications which suggest that in the details of policy the Japanese Government is still disposed to make use of every opportunity for extending its grasp on China: such as the continued opposition to

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the increase of the Chinese import tariff to an effective five per cent, except on conditions which are entirely unacceptable to the Chinese Government and which have, as a matter of fact, been rejected by China. In this connection, I beg to enclose a copy of an editorial, entitled "A Tariff Dispute", published in today's PEKING DAILY NEWS.

Such indications are also furnished by the activity of the Japanese in attempting to increase the area of settlements along the South Manchuria Railway, as reported to the Legation by the Consul-General at Mukden in his despatch No. 338 of June 17th, a copy of which was sent to the Department; and the establishment of through rates on the South Manchuria Railway favorable to Japanese imports, as reported in my despatch No. 384 of the 27th instant.

The tenor of the friendly declarations of Japanese statesmen being still accompanied by a policy agressive in detail, it is plain that the Japanese Government is not desirous of helping China to strengthen herself without at the same time being able to strongly emphasize her dependence upon the good will of Japan.

A letter recently published by the NORTH CHINA DAILY NEWS (a copy of which, as republished in the PEKING GAZETTE, is enclosed), alleged to have been written by Dr. Sun Yat-sen, while its authenticity is not established, does in fact explain the possibility of cooperation between the Chinese revolutionaries and the Japanese, although it would be difficult to understand how the revolutionaries would be willing to pay so heavy a price for assistance.

The political alliance which exists between Great

Britain

Britain and Japan does not interfere with a strong commercial rivalry between these two nations. The suggestion tentatively made by Count Okuma that in the development of the internal resources and industries of China the experience and local knowledge of the Japanese should be supplemented by British capital has not been treated seriously; in fact, it has scarcely escaped ridicule. It must, however, be said that it is only when Japanese enterprise extends into the Yangtse Valley that British apprehensions are aroused. Under the aegis of the political alliance with Great Britain, the Japanese have freely developed their privileged position in Manchuria and it is not likely that very strong objection would come from Great Britain even should the Japanese attempt to obtain a firmer footing in the Province of Fukien. While, therefore, the political alliance has not carried with it commercial cooperation, nevertheless undoubted advantages have accrued to Japan by way of an unembarrassed development of commercial and political influence in China.

Should any real rapprochement between China and Japan be attempted, the most ready ground of joint opposition to the United States would be furnished by the Asiatic Exclusion Laws, against which the latent feeling in China equals that which is now finding expression in Japan.

2. - RUSSIA.

Russia being in a fair way to achieve her desire to make Mongolia into a Russian dependency, or at least a buffer state between herself and China, the Russian Gov-

Government

ernment has of late been anxious to indicate its friendliness towards China by way of doing small and inexpensive favors for the Chinese Government: such as the withdrawal of the Russian garrison from Peking (about three hundred Russian troops are still stationed in Hankow); its readiness to "hand back" the mixed court at Shanghai to the Chinese; its Platonic disavowals with respect to indirect claims, and similar matters. Thus, an effort has been made to show a spirit of reasonableness, and friendship even, to become the advocate of Chinese rights, a position which has also been taken quite ostentatiously by Belgium. The large railway concessions obtained by Belgium with the assistance of Russian political influence and French capital have already been reported upon.

3. - FRANCE.

Relying upon the financial power of their nation, the French have attempted to make their influence strongly felt in China. On account of the importance of Paris as a money market, the influence of France in the Five Power Group has been very strong, and the French Minister has not been backward in making that influence count whenever possible. Thus, he insisted that the indemnity claims growing out of the Revolution (1911-1912) could not be paid to any nation before he had given his consent.

Many important concession were obtained by French capitalists, supported by the French Legation: railway concessions in Yunnan and Szechuan, and a concession for the harbor works at Pukow and municipal improvements in Peking, to which must be added the interest of French cap-

capitalists

italists in the Belgian concessions. While the Pukow-Peking concession has many features which render its financial soundness doubtful, and as it was obtained by making large cash advances to the Chinese Government the proceeds of which were used for purposes not connected with the public works concerned, this concession nevertheless materially increased the sum total of French interests in China.

These operations of the French aroused British susceptibilities only when they were carried on in the Yangtze Valley. When, after the contract for the Pukow-Sinngyang Railway had been concluded, it was remembered that under an agreement of 1905 (Rockhill's Treaties, Volume II, p. 24) French capitalists were to have a forty-five per cent interest in this concession when granted, the apprehensions of the British financiers prevailed upon the British Government to countenance the ignoring of this recent agreement. This action constituted a strong intimation that the British were anxious to reserve the Yangtze Valley as their particular sphere, and it resulted in claims being pressed by the French to a successful issue for railway concessions in the Provinces of Yunnan and Szechuan, independently of the British cooperation provided for by the Agreement of January 15, 1896 (Rockhill's Treaties, Volume I, p. 28).

The railway policy of France in Yunnan is calculated, especially if the cooperation of Great Britain should be entirely removed, to favor the creation of an exclusive sphere of influence. As the railways are of narrow gauge, they cannot be joined up with the railway

system

system of China: they are so planned as to drain the commerce of both Yunnan and western Szechuan towards the ports of French Indo-China. It is not generally believed here that the concession obtained by the French for a railway from Yunnanfu, by way of Shingyifu, to Nanning and Yamchow will be constructed in the near future. The manner in which the existing railway control of France in Yunnan has been used to render difficult, if not impossible, any independent railway construction in that Province is known to the Department; especially the instance of the high rate imposed upon rails when it was proposed by the Chinese to build a railway of their own from Yunnanfu into the interior (see my despatch No. 91, of January 29th last). During the past winter demarches were made by a British concern, with which some Americans were cooperating (represented by Mr. A. J. Moore-Bennett, a British subject), to obtain a concession for a railway from Szemao, in Yunnan, to Wuchow, in Kwangsi. The British Legation did not, however, vouchsafe its support, partly because of the traditional policy of the Indian Government unfavorable to a railway connection between China and Burma. This inaction tacitly favored French priority in Yunnan.

While French interests here have made the most of their financial strength, there are certain points of weakness in the constant insistence upon the power of the French interests which has aroused antagonism among the Chinese as well as elsewhere. The financial organization (Banque Industrielle de Chine), through which a large number of concessions were obtained, has not succeeded in impressing people with the

soundness

soundness of its organisation or its methods. This bank, which is merely a concession getting institution, has a nominal capital of 45,000,000 francs, of which one-third was subscribed by the Chinese Government. One-quarter of the European capital is reported to have been paid up. The manner in which its concessions and loan agreements were obtained and drawn up and in which the question of securities was treated has led to a strong belief that commercial soundness was subordinated to political considerations. Altogether, these financial operations have not inspired confidence. In this connection, I have the honor to invite attention to Mr. Williams's despatch No. 895 of June 12, 1913, reporting relative to the establishment of this bank.

4. - GREAT BRITAIN.

The concrete results produced through the fear on the part of the British that their primacy in the Yangtze Valley might be threatened has led to a recrudescence of the policy of spheres of influence: thus, the French were made to withdraw from the Pukow-Siangyang Railway; Japanese enterprise in this region is looked upon with unconcealed disfavor; and when, through the formation of an international construction company, China tried to avoid the disadvantages of political pressure in her railway building, Great Britain objected to the application of an international form of organization as far as the Yangtze Valley was concerned. Should Great Britain succeed in defeating this project of giving China a central railway system, uncontrolled by political considegations, the

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last protection against a strict drawing of lines according to national spheres of influence would seem to have been lost. It is also to be noted that the railway concessions granted to British interests during the past twelve months - The Pukow-Siangyang Railway; the Nanking-Nanchang-Pinghsiang Railway; and the Shasi-Changsha-Shingyifu Railway - all go to emphasize the allocation of the lower Yangtze Valley to exclusive exploitation by British interests in the matter of public enterprises. The same result is produced by the successful British protest against the Belgian Railway locating its terminus at Tungchow, on the lower Yangtze.

There is no question that British commercial and industrial interests realize the value of an undivided China, uniformly open to the commercial competition of the entire world; but, considering the facts that Japan has actually achieved an especially strong position in Manchuria, that Germany is active in Shantung, and that other nations are making energetic efforts to develop economic interests in their respective areas of preference, Great Britain is confronted with the alternative of either giving the Chinese Government sufficiently strong support to protect its integrity and independence, or of making sure that, should new difficulties overwhelm China and an active intervention of foreign powers should occur, the predominance of Great Britain in the Yangtze region should be open to question by none.

As the British Foreign Office has been kept busy with affairs in the Near East, in Europe, and in Africa, the Chinese policy of Great Britain has been dominated by the point of view of Shanghai, where British commercial inter-

interests

ests are centered. It is therefore not surprising that the policy of using diplomatic influence for the preservation of the unity of China and of the "open door" should appear rather general and vague, while the action of building up and protecting concrete interests in the Yangtze Valley should be considered truly practical. The British policy in China would therefore appear to be one of the acceptance of facts as they arise, without an attempt to use diplomacy for the purpose of fashioning the development of China's national life to that greater unity and independence which would avoid the turmoil of revolution and eventual division, and which would keep the whole nation responsive to the influences of unhampered international intercourse and commerce.

5. - GERMANY.

The policy of Germany, too, is on general principles favorable to the continued maintenance of the "open door". But here again it is accompanied with a desire to develop the existing germs of localized German economic influence in Shantung into a more comprehensive organization of "cultural politics". In this connection, I beg to refer to a despatch (No. 116-Confidential) addressed to the Department by the American Consul at Chefoo, under date of June 1, 1914, reporting on certain phases of Germany's policy in Shantung. As, however, the relative influence of Shantung in fashioning Germany's policy is less than that of the Shanghai interest in Great Britain's policy, and as German merchants are very keenly alive to the importance of an undivided China to the rapid development

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of international commerce, Germany is less likely to be willing to forego the advantages of the "open door" for a more intensive interest in the development of Shantung.

A memorial, published by the German Union in Shanghai, is indicative of the desire of German merchants and industrials to develop their commerce throughout China. A copy of this memorial will be forwarded to the Department as soon as it can be obtained. In this memorial the special position of Germany in Shantung is not even mentioned, and Tsingtau is evidently looked upon as a station from which it will be desirable to develop commercial, rather than political influence. Yet, while Germany would undoubtedly prefer the continued maintenance of the integrity of China and of the policy of the "open door", her own insistence upon the special rights accorded to German interests in the Kiaochau Agreement of March 6, 1898 (Rockhill's Treaties, Volume I, p. 45), is not calculated to strengthen her advocacy of the more liberal policy.

SUMMARY.

While it cannot be said that there exists a concerted movement for the weakening of China and for its eventual division, a skepticism as to the future is general and the Chinese Government is not receiving from the European nations or from Japan any whole-hearted support in its efforts to establish itself upon a more adequate basis, and to protect and strengthen the independence of the nation. The ever present possibility of renewed political trouble, the financial difficulty in which the Government finds itself,

itself, and the lack of modern technical mastery among Chinese officials, give to the current interpretation of Chinese affairs among outsiders a tinge of decided pessimism. The inroads made by Russian influence in Mongolia, by the Japanese in Manchuria, and by the British in Tibet, are apt to be interpreted as the beginning of a general process of disintegration.

Consequently, if any policy of the outside foreign powers can be said to exist at present, it is that of letting events take their course, meanwhile taking advantage of circumstances in order to improve the influence and tactical position of each country. Thus, also, the weaknesses which reveal themselves at the many points of the Chinese social and political system are utilised. The lack of efficient financial organisation, the frequent readiness of officials to seek personal gain, and the lack of thought among the Chinese of the stern requirements of modern competitive civilisation, give abundant opportunity for gaining advantages, promises, and concessions, which could not be obtained were the country more adequately organized. Thus, a vast load of obligations has been incurred, and opportunities for future development have in many cases been forestalled to such an extent that a renewal of political unrest and trouble would easily bring about a situation where foreign nations could claim the right of more direct and lasting intervention for the protection of their acquired interests. As these interests become more and more localized in national spheres, the danger is not so much one of international intervention as of subdivision.

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No country seems to take a strong and active interest in the maintenance of a united China, in the strengthening and development of Chinese national life so as to render a well organized government, capable of protecting the peace and orderly growth of this vast society.

While Japan cannot be said to favor a division of China, it is probable that she would look with equal apprehension upon a strong, united nation: only as a subordinate ally, securely controlled, would a united China seem free from danger to Japan. The European countries, with their inherited apprehensions of a possible renewal of Mongolian invasions and conquest, mostly see safety in a China imperfectly organized or even divided. Great Britain and Germany, indeed, profess a preference for national unity and the commercial "open door", but in view of their recent attempts to strengthen their local influence, this might appear somewhat Platonic. Their evident natural interest in a united China may, however, still be a sufficiently strong basis for political action if the public in both Great Britain and Germany can be made to realize the disadvantages of the alternative. The powers whose interests in China are less, such as Italy, Austria-Hungary, Holland and Spain, - generally assume an attitude favorable to the continued national unity and development of China.

Thus, while it would be an exaggeration to accuse the great powers, or any one among them, of deliberately plotting the subversion of the Chinese Government and the weakening and division of the Chinese Republic, it is probable that in the desire of individual nations to

develop

develop concrete interests in various parts of China, they are not sufficiently conscious of the dangers which renewed trouble in China, with an attempted division or even an attempted international control, would bring to the Far East and to the world in general. No advantage could compensate for the inevitable loss through the international rivalries and hostilities engendered and through the destruction of a unitary society developed during long ages and eminently capable, if left to work out its difficult problems, to govern itself as an independent state and to develop into one of the principal factors in international commerce.

Throughout the past year high Chinese officials have continuously urged upon me the desirability of a united action on the part of the United States, Great Britain, and Germany, in favor of the maintenance of China's integrity and of the "open door". The British and German Ministers, when discussing with me the present and future of China, have likewise expressed a strong belief in this policy. However, the action of their respective governments in detail has gone rather to strengthen the disintegrating tendencies in the present movement of affairs. It is possible that should the Government of the United States decide to take up again actively the maintenance of China's integrity as a policy, the actual support of these two governments, as well as of some others, could be secured, as they would certainly give their formal countenance. But only if in its detailed policies and actions the Chinese Government can be afforded freedom to develop a unified national system, could the disintegrating tendencies be halted. This applies to edu-

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cation, to law, to banking, to general public works, to military supplies, but especially to railway construction, which latter could be most readily made the basis of a division of China.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

As stated.

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A true copy of the signed original. W. C.

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Political situation.

Peking.

No. 290.

July 2, 1914.

CONFIDENTIAL

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The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to submit the following report on the internal political situation in the Chinese Republic at the present time:

The creation of the Advisory Council, reported in my despatch No. 255 of June 5th, was a very moderate step in the direction of establishing representative institutions. While the personnel selected is, on the whole, respectable on account of previous experience, being chosen on the basis of past official service, through this very fact it is almost entirely lacking in contact with modern methods and practices in government. It is therefore hardly to

be expected

be expected that it could assist the Government in working out constructive policies. Its value to the Government must rather be sought in the respect that the age and experience of the members of this body would inspire among the people which would tend to make the decisions of the Government generally acceptable. The function of the Council is, as the name implies, purely advisory; although by Article 67 of the Amended Provisional Constitution (my No. 211 of May 5th), it is to act as a legislative organ until a legislature proper has been established. With careful selection, a body resembling the Privy Council of Japan might gradually be developed, the experienced counsel of which would be of real value, although the representation of the dominant purposes and interests of the people remains to be provided for in a future legislative body.

The return to the system of having the provincial administration in the hands of governors directly responsible only to the Central Government will indeed increase the actual power of the Peking Government in the provinces. It is, however, to be feared that in many of the provinces, where the organs of self-government, which after a short existence have been dissolved, enjoyed considerable respect and influence, this return to a narrower system will not meet with general public approval. Unless the Governors should tactfully put themselves in touch with the governing opinions and public interests within their respective provinces, this system might easily be the source of great dissatisfaction and of continued political unrest.

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The significance of the abolition of the tutuhships by the Presidential Order of June 30th, a translation of which is enclosed, lies in the fact that through separating the military from the civil authority the growth of independent viceroyal power in the different provinces will be prevented. The civil governors, into whose hands all power of provincial government is committed, will have their responsibility to the Central Government reinforced through the fact that they do not control the military and that, therefore, they will always have to rely on the support of the Central Government to make their authority good at critical times. As the army is to be reorganised by military districts not coterminous with the provinces, and as it is to be coordinated into a homogeneous national force under the control of the Army Council (my No. 256) and the President, it is believed that it will gain in national character, in cohesion, and in efficiency, coming to the aid of the civil authorities in maintaining order. In this connection, I have the honor to enclose, also, an editorial - "Last of the Tutuh" - published in today's PEKING DAILY NEWS.

The changes which were introduced in the Central Administration, through the formal abolition of the cabinet system and the institution of an arrangement by which the individual Ministers, headed by the Secretary of State, would be individually rather than collegially responsible to the President, does not seem to have had any marked effect upon the conduct of public business by the Ministers. Undoubtedly, however, the President has interested himself

himself more directly in the business of the individual Ministries, especially that of Finance. He has also surrounded himself with several small councils, each of which deals with some special field of the public administration.

Nor have the changes in the personnel had a greater influence. His Excellency Hsü Shih-ch'ang, the Secretary of State, who represents the ultra-conservative element, has interested himself mainly in general questions of politics and of military organisation. He does not seem to be taking much direct part in the details of administrative action.

The matter which has of late attracted most public attention is a reported struggle for influence between Mr. Liang Shih-yi and His Excellency Liang Tun-yen, the Minister of Communications. Mr. Liang Shih-yi, who was formerly private secretary to the President, now occupies the position of Controller-General of the Revenue Council; he is also President of the Bank of Communications, as well as of the Railway Association. Being a man of great talent for organisation, his ascendency in the Ministry of Communications, as well as in the general financial work of the Government, was unquestioned. He selected capable men among his supporters for important positions in the railway service, he controlled the Bank of Communications, and had adherents in other parts of the Government as well. The Railway Association is an organisation brought into life by Mr. Liang Shih-yi: its membership is composed of railway officials, it holds periodic meetings for the discussion of railway problems, and has

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the character of a social and professional club, making for solidarity among the employees. As Mr. Liang Shih-yi and most of his supporters come from Canton, his organisation is usually spoken of as "the Canton clique"; it is also known as the "Communications clique".

When His Excellency Liang Tun-yen came into office on the 1st of June, discussion in the papers and elsewhere interested itself considerably with his supposed intention to break up the organisation in control of the Ministry of Communications and to introduce far-reaching reforms. As a matter of fact, some changes were made in the more important positions: Dr. Jame Tien-yow was appointed Director-General of the Hukuang Railways; an additional position of Vice-Minister was created, and Mr. Yeh Kung-cho, who had been Acting Vice-Minister and Director of the Railway Bureau, was made one of the Vice-Ministers: a move which was interpreted as an effort to take away the real power of this representative of Mr. Liang Shih-Yi's by giving him a position of formally greater dignity. While these moves were quite generally interpreted as indicating a fight between the two factions, this was not admitted by any of the men in the Government, who dwelt upon the fact that Mr. Liang Shih-yi and His Excellency Liang Tun-yen are friends and are both Cantonese, and that the most cordial relations existed between the latter and His Excellency Chou Tzu-ch'i, the Minister of Finance, who is also known to be closely allied with Liang Shih-yi.

Towards the middle of June, it became known that a move had been made to put the Bank of Communications un-

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der direct national control. This was regarded as another attempt to cut off the power of Mr. Liang Shih-yi. At the same time it became known, also, that negotiations were being carried on with the Belgians for extensive mining and petroleum concessions in Kansu, Shansi and Shensi, together with mining rights extending all along the Belgian Railway, from Lanchow to the sea. It is now generally believed that these negotiations were carried on by Liang Shih-yi in order to provide himself with a strong backing of financial interest, should attacks upon his general influence and upon his control of the Bank of Communications be continued. During this period many vigorous criticisms were launched against Mr. Liang Shih-yi and his organisation in the Chinese press. The broader significance of these facts was considered by well-informed observers to lie in the struggle between the military-ultra-conservative element, represented most directly by the Minister of War and the Secretary of State, with whom His Excellency Liang Tun-yen, as a conservative, was classed; and, on the other hand, the Cantonese republicans: Liang Shih-yi, His Excellency Chou Tzu-ch'i, and their followers (see my despatch No. 194 of April 14th last).

Towards the end of last month it became apparent that some basis of cooperation had been reached: the negotiations with the Belgians, frowned upon by His Excellency the President as involving concessions too sweeping for the national interest, were abandoned, as was also the scheme of nationalizing the Bank of Communications. Mr. Yeh Kung-cho and other followers of Liang Shih-yi in the Ministry of Communications, who had been reported on the verge of resigning, now accepted the positions assigned to them by the new

Minister

Minister. It is significant that this development followed upon a very enthusiastic and largely attended meeting of the Railway Association, in which Mr. Liang Shih-yi was elected President and Mr. Yeh Kung-cho Vice-President: a meeting which was attended by railway men from all parts of China who had gathered hurriedly. If His Excellency Liang Tun-yen had actually ever entertained the project of making a radical reorganization of the Ministry, he had undoubtedly found that the men in control of the various important points of administration had a knowledge of affairs which could not be supplied by new men should they be appointed in large numbers.

In the above account of the events of the past month, I have followed the interpretation most generally accepted among well-informed persons without, of course, being able to vouch for the correctness of each individual conclusion; and in this connection I have the honor to annex hereto an editorial - "The Chiaotungpu" (Ministry of Communications) - published in today's PEKING GAZETTE.

The financial situation has not changed much of late (please see my despatch No. 218 of May 11th last). It is true that, on account of the direct control of the Central Government over the provincial administrations, the remittances from the provinces have grown much larger, and that certain economies which had been introduced will probably make it possible to defray the running expenses of the Government out of its current revenue from taxation. There are, however, falling due within the next three months short-term obligations amounting to G$40,000,000. These are greatly worrying the Government. The Five Power Group bankers are willing to make a loan for the refunding

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of these obligations only upon condition that they shall also be given the handling of the currency loan, accompanied by a degree of control, which the Government considers entirely unacceptable, because it would involve, in its opinion, a definitive abdication of financial independence. The Minister of Finance informed me yesterday that, upon instructions of the President, he had just given notice to the Five Power Group bankers that the Chinese Government would not make a further loan agreement with them. The actual test has now come whether the Government will have to capitulate and put itself entirely into the hands of the Five Power Group monopoly, or whether independent sources of support will be opened which will enable the Chinese to overcome this last great difficulty. It is notable that the amount involved in this critical situation is so comparatively inconsiderable: namely, C$40,000,000. In connection with this, the Minister of Finance stated to me that "the next few months will show whether there are any friends left to China."

Outside of the fact that these obligations are impending, a further unfavorable fact exists in the temporary recession of trade which has led to a slight decline in the Customs revenue. This situation is partly a result of the disturbances of 1913 and partly it is undoubtedly due to a continued feeling of uncertainty as to the immediate future, which has led Chinese merchants to curtail their commitments. I may, however, state that the very latest reports from the trade centers are again more favorable in tone.

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The general feeling of unrest which characterised the year 1913 has not yet disappeared. I have the honor to transmit a number of consular reports, especially from the Hankow district, which give a good idea of the details of the situation; and also to invite attention to the despatch (No. 15) of June 12th, addressed to the Legation by the Consul at Swatow, a copy of which has been sent to the Department.

The continued depredations of "White Wolf", now being carried on in the far west, in the vicinity of Kalgan, and on the borders of Szechuan, together with similar sporadic operations of robber bands in other parts of China, are a proof of the inefficiency of the military organisation which costs China so much. The Chinese people are, however, so accustomed through the experience of centuries to such conditions of brigandage that this disgraceful situation seems to be making a comparatively small impression upon the public mind, except in places directly affected; and even there it seems to be accepted rather as a visitation of Providence would be: the result is that these depredations are causing stronger indignation abroad than in China. Nevertheless the Government is keenly alive to the imputation of weakness carried by the continued failure to suppress such disgraceful ravages and cruel outrages extending over whole provinces.

While the military revolt at Kalgan on June 24th was quickly suppressed, it emphasized the constant need of watchfulness against latent disaffection in the army. The revolt is generally attributed to the machinations of revolutionary agents, although the ever present desire

for loot

for loot undoubtedly also furnished a powerful motive. Yesterday it was reported that in Wuchang special military precautions were being taken because of the fear of revolutionary plotting among sections of the troops.

The feeling of unrest engendered by the operations of brigands, the temporary stagnation of trade, and great national disasters, such as the floods at Canton and Changsha, is constantly aggravated by the incitement and plotting of the opponents of the present Government and of radical revolutionaries by profession which latter it is often difficult to distinguish from brigands. The political action of the Government in dissolving the local assemblies has caused considerable dissatisfaction, especially in the South, where there is a strong sentiment in favor of representative institutions among the merchants and men of education. Should the Central Authority appear consistently to disregard such a desire for a fair amount of local self-government, there would probably be steady opposition among the classes which are otherwise most anxious to have peace and order. Thus, also, the differences between the North and the South might be accentuated again.

Stringent press laws, while they have enabled the Government to protect itself against vicious attacks, have, in the manner in which they are being enforced by local officials, led to an almost complete suppression of the discussion of public affairs and of all political news service. As a result, sheets of a sensational character are secretly imported from the adjacent foreign colonies and settlements: from all of which there arises

an unhealthy

an unhealthy atmosphere of public opinion. The desire of the Government to protect itself against revolutionary plotting, in the hands of the local officials, has led to a multitude of political executions; informants are active, and old grievances and feuds are made the basis of political persecution.

All these evils are an accompaniment of the struggle of the Central Government to maintain its authority unquestioned in a time of great internal unrest, aggravated by plottings and intrigues from without. The situation can be gradually overcome only through the development of complete confidence between the public and the government, the control and disciplining of the army, and the reestablishment of representative institutions for the normal expression of public opinion. Constructive work for the improvement of conditions in China does not, at the present time, seem possible through revolutionary methods. Public opinion is not sufficiently welded and educated to form the basis of enduring institutions. On the other hand, it is necessary that the Central Government should fully realize that its own permanence and the existence of China as an independent nation depends on whether public opinion throughout the Republic can be politically organized and enlisted in the work of assisting and cooperating with the governmental authorities. It would appear that the Central Government is very anxious to reach such a condition, if it could avoid the danger of revolutionary intrigue which would once more reduce the country to civil war and impose burdens that would end its

independence.

independence. It is certain that if the present Government could receive active support from a source favorable to the strengthening and developing of Chinese national life, it would be ready to introduce the reforms necessary to further such development in the direction of free Government.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

As stated.

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A true copy of the signed original.

PEKING DAILY NEWS. July 3rd, 1914.

Presidential Orders.

June 30.

ABOLITION OF TUTUHS.

The designation of Tutuh had its origin from the Wei State of the Han dynasty. During the Wuchang Revolution (1911) this name was hurriedly adopted. At that time the military campaign was just started and the mind of the people was not quite settled and the condition of affairs might be compared with the domination of the Chin and Chi States and the dismemberment of the Ch'u and Han States. In the first year of the Republic there was no time to see to the alteration of the designation. It was Vice-President Li who first suggested the separate administration of military and civil affairs. In this connection he demonstrated ten evils and three disadvantages (of vesting both military and civil powers in the one and same individual) the perusal of which would make one's eyes sore and the heart affrighted and intelligent and wise persons of the whole country have shared this view. Now that the great trouble has been suppressed, the power centralized and the Tutuhs of the various provinces are aware of the general principles if the miltary term is allowed to remain unaltered the idea of both the military and the civilian cannot be renewed. Furthermore there would be many hindrances in the way of enforcing the provincial system. It is therefore ordered that the Tutuhs of of different provinces be all abolished. In the Metropolis there shall be established an Office of Generals and Generals of various denominations shall be appointed. Those who superintend and manage the military affairs of the different provinces shall establish offices in their respective resident provinces so that when they are out of the Metropolis they will be entrusted with the defence of provincial territories and when in the Metropolis they will be in charge of the army; internally and externally they will be related to one another and their aim and opinion will be at one with each other; the military forces of the whole country will be in one union just like the fingers being connected with the arm and the idea of discrimination between territories would be dispelled. The country would become as strong as those of Europe and America and the present evil of combining the control of military and civil affairs would be avoided. From this time forward the military and civil shall achieve their merits in different directions, the duties of the one not being intruded by the other. Those in charge of military forces will devote their sole attention to military discipline while those in charge of civil administration will endeavour to improve the method of official administration. By mutual encouragement and agreement between the civil and military officials estrangement and disputes will cease forever and the stage of ideal government will be attained. I, the President, have great hope in this.

THE
Peking Daily News.

FRIDAY, JULY 3RD, 1914.

LAST OF THE TUTUH.

The Presidential Mandate of May 24th placing the government of each province in the hands of a governor-general, with powers approximating to those held by the viceroy of the Manchu regime, has its logical sequence in the Presidential Order of Wednesday abolishing the Tutuh and placing the military control in each province in the hands of a general subject to a centralised military department in Peking. The President points out that the term tutuh is archaic—it is a survival or revival from the Han Dynasty, but the office itself is also archaic. Such a combination of civil and military duties in one official, though perhaps serving a useful purpose at the time of the Revolution, is impracticable to-day, and the wisdom of the Chief Executive in centralising authority and making both the civil and military elements thoroughly operative, co-ordinating them without amalgamating them, must be appreciated by those who understand the present needs of the country.

There is no occasion to dwell on the evils of having the civil and military duties combined. In the words of the Order their perusal would make "one's eyes sore and one's heart affrighted." The chief objection to the old system was that the Tutuh's authority was not limited. He was practically supreme in his own command and orders from Peking were not always recognised. There was no cohesion between the Tutuh of one province and the Tutuh of another, and their forces were provincial rather than national. That unsatisfactory state of affairs is to be ended. The military forces are to be co-ordinated, and the heterogeneous array of armies and commanders is to give place to a homogeneous army governed by an office of generals or army council in Peking, from which the generals in the provinces will henceforth take their orders. The usual discretionary powers vested in a commander will be enjoyed by the generals in control of a province, but they will be subject directly to the new office of generals, so that the old system or systems which allowed commanders to follow different policies will be ended.

It will be seen that the new arrangement makes for centralisation of power. In the order of May 24th last which foreshadowed the removal of the Tutuh, it was ordered "In each province there shall be one Governor-General controlling the civil officials of the whole province and the defence and precautionary troops. He shall be specially appointed by the Government to supervise financial affairs, the administration, the judiciary and other special administrative affairs and other special financial organs." The Governor-General is to exercise full control. He is not to command the military forces, but if these forces are needed he may ask the general in command to utilise them as he desires. The Governor will be directly responsible to the President. The General will be directly responsible to the Office of Generals, of which the Minister of War is a member as a "Great General," that office again being directly responsible to the President. The system may be found in practice to have defects the remedy for which will be suggested in time, but it marks a big advance in establishing thorough control over the military forces of the country.

FRIDAY, JULY 3, 1914.

THE CHIAOTUNGPU.

We have from time to time presented our readers with translations from the local Press dealing with the struggle which is said to be proceeding in the Chiaotungpu between the new Minister of Communications, and the so-called Chiaotungpu clique who are said to look to Mr. Liang Shihyi as their leader. That there should be any friction within a Ministry, especially one so important, and so intimately connected with the country's prosperity, is to be regretted, but if it really be the case that the new Minister of Communications is confronted with the alternatives of becoming a mere puppet or eradicating all external influences from the Ministry, all who are in favour of an efficient and honest administration will hope that he will adopt, and ruthlessly carry out the latter policy. We have already expressed our views upon the struggle which is said to be in progress, so we do not propose to go over old ground. What causes us to revert to the matter at all is the extraordinary allegations that appeared in a recent number of the "Yahsiyapao." According to this paper a meeting of the Railway Association was held in Peking about a week ago in the premises of the Hukuang Guild. Representatives from various railways in and out of Peking were present, and the proceedings are said to have been most enthusiastic. A certain Mr. Pau Chung-han stepped up to the platform and made a lengthy speech attacking "the papers which dare to offend the Chiaotungpu clique." At this meeting Mr. Liang Shih-yi was elected President, and Mr. Yih Kung-cho Vice-President of the Association.

We have always understood that the avowed aim of the so-called Railway Association was to spread knowledge of railway matters among its members. The latter apparently include a majority of the Directors and higher-grade employees of the railways, and thus the Association possesses considerable influence in railway circles. Whether the existence of such an Association is desirable, however, seems to be open to serious doubt at this juncture. If the Association confines its activities to the spread of railway knowledge, and the promotion of harmonious relations between railway employees no exception can be taken to it. If, however, it is a factional organization, intended to promote the designs of a special clique and to usurp powers which ought properly to belong to the Minister, its existence ought not to be tolerated for an instant. If the allegations of the "Yahsiyapao" are correct, that of course, is precisely what it is, and in the interests of discipline and efficiency the Government should interfere, and insist that the Association restricts its activities within proper bounds or is immediately dissolved. Incidentally, the affront offered to the Minister of Communications by the election as President of the Railway Association of the very man who is said to inspire the opposition to him in the Ministry should not be allowed to pass unnoticed.

Mr. Liang Shih-yi is not only President of the Railway Asso-

ciation, however; he also holds the same office in the Chiaotungpu Bank. The latter, though a limited liability corporation is controlled by private shareholders, who hold, or are authorized to hold three-fifths of the shares. Regulations for the control of this bank were promulgated by Presidential Order on April 7th, and under them the operations of the Bank are nominally supervised by the Ministries of Finance and Communications. As, however, the Directors, Chief Manager, Assistant Manager, and one Deputy Manager are elected by the shareholders, and hold office for from four to five years the Chiaotungpu Bank is to a large extent independent of both Ministries. Needless to say, as the official banking institution of the Ministry of Communications it can, and does, wield tremendous influence over the latter. So that it comes to this, that an Association, nominally used for the extension of knowledge on railway matters, but actually used as a factional organization to promote the interests of a certain clique, and the official banking institution of the Ministry, which ought also to be placed outside the sphere of politics or factions, are controlled by the acknowledged leader of the clique which is reputed to be hostile to and working in opposition to the Minister of Communications. If this state of affairs be permitted to continue the latter's position must soon become untenable, and then no incumbent of the post will be able to remain in office unless he is entirely subservient to a clique which is credited with working for its own ends rather than the welfare of the country. For ourselves, we fail to see any reason for the existence of a special Bank of Communications, the controlling interest of which is in the hands of private shareholders. What China needs is a single National Bank, which will transact all Government business, and into which all revenues whether derived from the Customs, railways, or various forms of taxation should be paid, except in the case of funds which must, under outstanding loan agreements, be paid into foreign banks. There is no more reason why the Chiaotungpu should have its own particular bank than the Neiwupu, the Waichiaopu, or any other Ministry, and there are very serious objections to the existence of any officially recognized organization which is in a position to interfere with, and even to dictate to, a responsible Minister. If the Chiaotungpu Bank remains in existence steps should at least be taken to bring it under the control of the Minister of Communications and to prevent it from being used as a means to challenge his authority, and to perpetuate the factional system of running the Ministry. As to Mr. Liang Shih-yi himself, whether or no he is, as alleged, the leader of the clique which has in the past controlled the Chiaotungpu, he should at least see the propriety of publicly dissociating himself from offices, honorary or remunerative, which may place him in opposition to the recognized Chief of the Chiaotungpu We do not suppose for a moment that he would tolerate a similar state of affairs in connection with the Shuiwuchu, and if he himself fails to appreciate the invidiousness of his position vis-a-vis Mr. Liang Tun-yen, then the Government should intervene, and intimate that it will permit no officials in the administration to accept additional posts which are calculated to undermine the author-

I:C

Contemporary affairs.

Peking,

No. 293. July 3, 1914. 800

CONFIDENTIAL

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

In continuation of my despatches Nos. 284, of June 12th; 286, of June 29th, and 290, of the 2nd instant, I have the honor to submit the following considerations on the bearing of contemporary affairs in China, internal and external, upon the interests and policies of the United States:

It is evident that China finds herself in a critical situation, in the sense that the fundamental character of her political life and the direction of her political development are now being decided. While a vast community, living under a complicated social system, which embodies the experience of thousands of years, cannot change its

methods

methods of a sudden and will undoubtedly for a long time continue to differ radically from western political societies, yet it admits of no doubt that a new era of development has begun and that certain essential alternatives are being faced. Such alternatives are the continued unity of the nation or its division; its continued independence or the direct dominance of one or more foreign suzerains; its commercial unity or its division into spheres of influence; the tendency of its institutions of government, whether in the direction of the absolutism of Russia and Japan, or the republicanism of the United States; and the character of its educational and legal system, either dominated by the ideas of America and England or of continental Europe or Japan. From these, there also follow important alternatives in industrial and commercial policy.

Under these circumstances, it is of great moment whether the Chinese Government will remain free, with the assistance of influences friendly to the development of China's nationality, to preserve the unity of the Chinese State and to develop its institutions; or whether its financial distress, combined with the plottings of a revolutionary opposition, will deliver it into the hands of those who are less favorable to the growth of China's national life.

The United States of America enjoys a position of great advantage for assisting the Chinese Government and influencing its development in the direction of free national life. The lack of a desire for political interference, the real sympathy felt in America with the

strivings

strivings of the Chinese people, and cultural, educational and charitable work unselfishly performed, have given the United States the undivided confidence of China. It is certainly true that the Chinese people are anxious to follow in the footsteps of the development of the United States if they were only permitted to do so. The Government, too, is desirous to profit by American experience and, while its fears of revolutionary intrigue have driven it to assume an ultra-conservative, if not reactionary attitude, the President has consistently expressed his desire to give the Government a more truly representative character.

But whatever the desires of the Chinese Government and people may be, they are now in a struggle for existence and for continued national independence; they have been reduced to a crisis where they need active assistance from some source, in the form of financial support. The fundamental and ultimate solvency of the country is not threatened, as its active and latent resources are vast, though insufficiently organized; but the temporary difficulties are so acute as to be dangerous to its national independence.

This situation gives unusual importance to the endeavor to secure for China some financial support in the United States, such as the contemplated Bank of China loan, concerning which favorable instructions were given by the Department in its No. 115 of May 29th (File No. 893.516). Could it be possible at the present time in the United States to secure a loan of this nature, or a loan of an approximately equal amount for the purpose of

refunding

refunding the short-time obligations, the service rendered to China would be out of all proportion to the amount involved. Financial support of this nature would not only greatly increase domestic confidence, but it would open other sources of revenue and thus enable China to escape financial dictation and territorial division.

Any development of enterprise which increases American commercial interest in China is incidentally favorable to Chinese independence: because, through the enlistment of neutral interests, the desire of outsiders for political control can be counterbalanced. The organising of an American investment bank and similar organs for the development of American commerce in China, participation of American capital in railway building, and the development of mines and oil fields through American companies and under American business methods would all be welcomed by China as involving the strengthening of a favorable influence. Different Chinese Ministers have repeatedly said to me that at this time China is in need of the active assistance of those who are friendlily disposed and that China is willing to do her part in cooperating, and in extending advantages, if only such active support is forthcoming. If American capital, industry and commerce are not ready at this time to give that comparatively slight assistance to China which the situation calls for, it is likely that American action in China in the future will be on a far more modest basis than present possibilities promise. While the Chinese people are inspired with friendship for the United States, thankfulness for past good will could in the case of no nation be

counted

counted upon as an important political or economic motive. Moreover, China may soon find herself in a position where it will be impossible for her to choose her friends. Should her affairs come under the influence of others, an attempt would immediately be made to destroy all influence of America in China and to generate a strong antipathy against the United States among the Chinese.

Even under these circumstances, the Americans could, of course, continue, although under far less favorable conditions, and sometimes undoubtedly in the face of great obstacles, to develop their educational and commercial activities in China. Fortunately, commerce cannot be entirely determined by political influence and, through careful planning and energetic work in detail, American commerce should continue to flourish in the Far East. But if we should allow to others a free hand to mould the destinies of China and the character of her political action and institutions, the political ascendency thus gained would be a most unfavorable factor to us in a region with which we have direct and natural economic relations, based upon past efforts, proximity, and easy communications. This would be especially true if the breakup of China came about and various exclusive spheres were there established. In that case, the preemption of desirable opportunities for industrial enterprise and the establishment of an exclusive commercial policy would give the United States the position of an outsider and interloper in a field of activity which, by nature and tradition, is of the greatest importance and promise to the American people.

In an

In an attempt to avoid such a result it would be necessary at every turn to emphasise the independence and integrity of China. While yielding no rights of its citizens, the United States could continue its liberal policy, cooperating with smaller powers and with those among the great powers that are more favorably disposed, in giving to China an opportunity of developing her government, her taxation, and her public action as an independent state, without being constantly thwarted, neutralised, and enfeebled by outside obstruction based upon a narrow and illiberal interpretation of treaty grants, as well as by using to her disadvantage the financial influence gained by outside institutions in China.

Should China come under the financial control of foreign nations, even if actual subdivision could be avoided, the American Government would be forced to decide whether to insist upon participation in such an international control or leave it entirely to other powers.

While China is not at present strongly organized, the attitude of her people towards the United States, considering our close relations, cannot be a matter of indifference. Should influences unfavorable to the United States gain the ascendency in Chinese affairs, matters of friction, as above suggested, would be emphasized. Should China become stronger through her own efforts, her resentment with what the Chinese people feel as an injustice would grow with the feeling of national self-consciousness.

In future the question of dealing with immigrants from the Orient will be increasingly difficult unless a

solution

solution can be found which is accepted by the people of the Far East as equitable. Notwithstanding the general friendship for the United States, there is among the Chinese very deep and acute resentment of Asiatic exclusion; it is, as a matter of fact, the one great international grievance which would emerge immediately should the present troubles of China clear up. This feeling would constitute the only probable and possible basis of an understanding between China and Japan unfavorable to the United States; it would constitute a most powerful weapon in the hands of those desiring to embarrass American educational and commercial activities in China, as the most sincere general feeling of friendship will not endure the test of a strong specific grievance.

It is probable that no solution which does not involve an arrangement of mutuality, that is a mutual recognition of rights, will relieve the United States from constant trouble in this matter. This mutuality could take various forms: for instance, it might by treaty be provided that only a certain number of the persons of the one nationshall be permitted to enter the territories of the other for the purpose of settlement, and that when this number has been reached no further entries shall be permitted. An alternative measure, involving somewhat greater, though not insurmountable administrative difficulties, which is based on the principle of equality of treatment, though not of mutuality, is that recently suggested by Mr. Gulick, according to which immigration into the United States would be uniformly restricted to a certain percentage of the total number of residents of each

nationality

nationality of origin already in the United States. Some such general rule, which involves no explicit discrimination on account of race, would save the self-respect of Oriental peoples and would tend to remove the fundamental cause of mutual hatred.

The Far Eastern policy of the United States can probably not remain unaffected by the fact that in the matter of Oriental immigration, the interests of the great British colonies of Canada and Australasia are identical with those of the United States. In an equitable solution of this question the United States would therefore be able to count upon the cooperation and backing of the British Empire. This fact is very strongly felt in the Far East as rendering it impossible that the Anglo-Japanese Alliance should ever be pointed against the United States. As a guarantee of peace, however, it is not in itself sufficient thoroughly to dispose of the difficulties involved unless the policy of virtual exclusion can be given a form which saves the self-respect of Japan and China.

I beg to request the Department to accept these considerations on the general state of affairs in the Far East, as well as those in my despatches Nos. 264, 286, and 290, above referred to, as the result of an effort, on the basis of the development of the past twelve months, to state the cardinal features of the situation which would have a bearing upon the policies and interests of the United States; and I respectfully beg to be informed if you should find reason to question the justness of any of the conclusions presented.

I realize

I realize quite fully that the action of the Government can be formulated only as concrete cases arise, but I have felt the need of a clear view upon the salient features of the situation with which we have to deal.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

800.

A true copy of the signed original.

No. 345.

Conflict between Japanese and Chinese Troops

Sub. .....
Recd. 25 AUG 1914
Ack. .....
Ans. .....
Ref. .....
A.e. .....

AMERICAN CONSULATE GENERAL?

Mukden, China, August 22nd, 1914.

SUBJECT: Conflict between Japanese and Chinese Troops near Ssupingkai.

J. V. A. MacMurray, Esquire,

Charge d'affaires, American Legation,

Peking.

Sir:-

With reference to my despatch No. 344, of the 20th instant, I have the honor to quote below an article which appeared in yesterday's issue of the MANCHURIA DAILY NEWS (Dairen) the organ of the South Manchuria Railway:

"Part of the Tiehling Regiment which started on Saturday on a ten days' march to Chengchiatun stopped at Ssukingkai on the first night and at Pamiencheng on the second. On Monday afternoon at 2 p. m., the Japanese troops reached a village nearly four miles east of Fuchiatun midway between Pamiencheng and Chengchiatun. Suddenly they were fired upon, and the men were ordered to lie down at once. It was discovered that twenty or thirty men looking like Chinese patrolling soldiers were deliberately directing their fire towards the Japanese. Thereupon, a lieutenant, adjutant to Maj. Inouye commanding the Japanese troops was sent ahead with two orderlies. They advanced to within about 300 yards of the Chinese and waved their caps and handkerchiefs in token of a friendly greeting, whilst the troops waved a Rising-Sun flag and indicated their being Japanese soldiers. The Chinese only fired with redoubled energy. The horse of the adjutant officer was the first to be hit. Sergeant-Major Sato who held the flag was the second to be wounded rather seriously. In addition a private was hit. This established the deliberate intention of the Chinese to make a hostile demonstration against the Japanese. Therefore at 2.15 p. m. the Japanese were arrayed in a skirmish line and assumed the aggressive. When they reached within 300 metres of the enemy, the Chinese ran in disorder in a northeasterly direction. The Japanese occupied the village which the enemy had evacuated, and sent scouts after the fleeing enemy who left a corpse, two horses, and eight wounded, besides 9 rifles, wtc.

The Japanese Sergeant-Major was shot through the right

right armpit and the right shoulder blade, causing alarming weakness to the heart, whilst the private was shot through the liver. Both may die. They were sent by stretcher to San Kiangkou whence they were carried down the Liao in a junk to Mafengkou.

When the enemy fled, the Japanese cleared the battlefield and caught the wounded Chinese and about a dozen villagers. Some of them stated that the Chinese soldiers had been fighting with a gang of bandits and mistook the Japanese for the brigands. Some of the captives were identified to have been sauntering about the place at which the Japanese had taken tiffin. This dismisses all logical doubt about the firing on the Japanese being intentional. It was noticed at the time of firing that the majority of the Chinese were dressed in the uniform of patrolling soldiers and the rest like ordinary Chinese farmers."

It would seem that if the Japanese has a true respect for the authority of China in Manchuria, they would avoid practice marches into districts like Chengchiatun where the Chinese troops and police find it necessary to use unusual energy in suppressing brigand bands. These practice marches into the interior, which are all too frequent, are doubtless intended to have an intimidating influence upon the Chinese authorities. In nearly all cases of this kind where misunderstandings are created, the Japanese demand the punishment and dismissal of the responsible officials, and such demands are usually complied with; consequently the Chinese officials who wish to hold their positions see the wisdom in maintaining a peaceful and respectful attitude towards the Japanese. This appears to be the present policy of the Chinese officials from the Military Governor down.

During the past ten days there have been much exchange of hospitalities, and frequent interviews between the Japanese Consular and Railway authorities and the higher Chinese officials. I am informed upon good authority that the Japanese Consul General is pressing the Military Governor to give his sanction to the operation of Japanese troops throughout South Manchuria for the suppression of robber bands, the Chinese troops, however, to remain in control of the city

of

of Mukden and the immediate vicinity, and that a large money consideration is connected with the proposal.

It has become extremely difficult to settle with the Chinese authorities in a satisfactory manner the various questions that arise regarding the protection of our interests here and my British, French, and German colleagues have been meeting the same difficulties. There are no doubt many officials in the local government who might show competency in places where conditions are not so disheartening as they are here, but with an empty exchequer and salaries months in arrears, and the failure of the Central Government to support them in resisting intrusion, or in endeavoring to improve conditions, it is not surprising that they persist in evading responsibility.

I have the honor to be, Sir,

Your obedient servant,

Fred D Fisher

American Consul General.

710.

Copy sent to Department of State

No. 352.

Chinese Japanese relations in South Manchuria

AMERICAN CONSULATE GENERAL,

Sub. .....
Recd. 29 AUG 1914
Ans. .....
Ref. .....
A. e. .....

Mukden, China, August 27th, 1914.

see despatch to Dept 9 - SEP 1914

SUBJECT: Chinese-Japanese Relations in South Manchuria.

Sec

J. V. A. MacMurray, Esquire,

Charge d'affaires, Alerican Legation,

Peking, China.

Sir:-

As a matter of possible interest to the Legation, I have the honor to quote below an item which appeared in the Manchuria Daily News, issue of the 25th instant:

"When the Tokyo Government transmitted the memorable advice to Germany on the night of the 15th instant, it knew that, unless Germany could be persuaded to accept the reasonable advice of Japan, Japan would be forced to resprt to the extreme measure. With this contingency in view, Premier Count Okuma consulted Baron Kato (Foreign Minister) and drew up a proposal for presentation to China. Mr. Liu-tsungyu (Chinese Minister to Tokyo) was acquainted with the gist of the contents of the proposal, and the Chinese Minister transmitted the same to the Peking Govern ment by telegraph. We understand that the Peking Govern-ment had very little to say against the proposal. There-upon the matter was laid before the Throne, and Mr. Hioki (new Japanese Minister to Peking) was charged to officially sign the new protocol embodying Japan's proposal after pre-senting his credentials to H. E. President Yuan.

The draft

"The draft protocol is said to contain the following:

"In order to perpetuate the friendship between the Empire of Japan and the Chinese Republic and to establish permanently the peace of the Far East, it is hereby agreed

"That Japan shall securely guarantee the independence of the Chinese Republic and the preservation of her territorial integrity.

"That, in case of the welfare of the Chinese Republic or her territorial integrity is jeopardized through the intrusion or invasion of any third country, the Imperial Japanese Government shall promptly take such measures as are deemed necessary.

"That the Chinese Government shall do nothing to obstruct the actions of the Imperial Japanese Government but furnish suitable facilities.

"That neither Government shall conclude with a third country any treaty that runs counter to the spirit of the present protocol without first obtsining mutual consent.

"That the details concerning the present protocol shall be settled between the representatives of the contracting parties."

Recent actions of the Japanese in Manchuria would seem to give ground for suspecting that they are preparing for some eventuality; for instance, Baron Fukushima, Governor-General of the Leased Territory, who commands all Japanese troops in Manchuria, has been given the rank of a full General; the Japanese reserves in Manchuria have been called for service, but have not been moved out; artillery practice is being conducted at various points along the South Manchuria Railway; and frequent secret conferences are being held by the higher Japanese officials.

Several weeks ago the Chinese military authorities here endeavored to dispense with the services of a Captain Watase as artillery instructor; to this the Japanese Consul General raised objections, and the matter has been adjusted by the release of Captain Watase, but the Military Governor is to engage five Japanese officers as military instructors at Mukden.

It is reported that General Wu, Commissioner for Defense of the Mongolian Frontier, whose troops were engaged in the conflict with Japanese troops near Chengchiatun,--See my

despatch

despatch No. 345 of the 22nd instant,-- has been summoned to Mukden, probably to be punished for the action of his troops in that affair.

With the activities of the Japanese, the Chinese military forces are reported to uneasy, and are preparing to take steps to counteract any movement of the Japanese. Missionaries who recently arrived from Kaiyuan report that the gates of that town are heavily guarded by Chinese troops who informed the missionaries that they have orders not to allow Japanese to enter the Chinese town without proper passes.

I have the honor to be, Sir,

Your obedient servant,

Fred D. Fisher

Consul General.

Copy to Department of State.

Press articles -
Hawaii total -
Use of wireless.

AMERICAN CONSULATE GENERAL

SHANGHAI, CHINA,

No. 723.

Sub. .....

September 4, 1914.

Ack. .....

Ans. .....

Ref. .....

Subject: Conditions at Shanghai Resulting from European War - Official Protest by British Authorities Regarding the Publication of Certain Classes of News Relating to the Prevailing Conditions of Warfare - German Consul-General Indignant at British Newspaper Publications - Controversy Regarding the Use of Wireless Apparatus at Shanghai.

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891
.885
874

J. V. A. MacMurray, Esquire,

American Chargé d'Affaires,

Peking, China.

Sir:

I have the honor to append a copy of a self-explanatory letter from the British Consul-General at this port, together with the communication referred to by him as having been addressed to newspapers registered as British here:

"H.B.M.Consulate General,
Shanghai, August 27, 1914.

Sir and dear Colleague,

I have the honour to forward herewith copy of a letter which I have had to address to the newspapers registered as British regarding unscrupulous fables published in the China Press, against which His Excellency Sir Henry May, Governor of Hongkong, has officially protested by telegraph.

I have the honour to be,
Sir and dear Colleague,
Your obedient servant,
E. H. Fraser
Consul General.

T. Sammons, Esquire,
Consul-General for the United States of America,
Shanghai."

"Reckless

"Reckless reports as to Hongkong: Governor protests.

H.B.M.Consulate General,
Shanghai.
August 27, 1914.

Sir,

The Governor of Hongkong telegraphs protesting against the reckless publication of absolutely false reports about that Colony such as appeared in the China Press of 22nd August, which pretended to have heard of the wounding of the Governor and of disaffection among the Indian troops of the garrison.

I should feel obliged if you would refrain even from recording the existence of fables of this sort, the circulation of which can only arise from malice; for such notice in your columns serves the purpose of the unscrupulous originators of these silly calumnies.

I am, Sir,
Your obedient servant,
sd. E. H. Fraser
H.B.M.Consul General.

The Editor,
North China Daily News.
Shanghai Mercury.
Shanghai Mercury. (probably Shanghai Times)
Sin Wen Pao."

In reply to the above, I called the attention of the British Consul General to the usual procedure in the gathering of news items for publication in American newspapers and stated that I was confident that the publishers, in this instance, desired and were amply prepared, by long experience, coupled with due consideration to all concerned, to exercise unusual precaution and circumspection, under the circumstances, in the publication of news matter having to do with, or resulting from, the prevailing conditions of warfare in Europe.

In addition to the above, I expressed regret, et cetera, and added that I felt that I should assure the British

Consul

Consul-General that I was satisfied that the printing of the objectionable item, so far as the American newspaper in question was concerned, did not arise, as indicated, by him in his communication to the British publishers here, from malice. I have further advised him that I had previously made inquiry regarding this item and that I had been assured by the editor of the CHINA PRESS that the same originated in Swatow or Canton.

In reply to a note which I sent to the editor of the CHINA PRESS after receiving the notice of protest, as above, from the British Consul-General, I received the following letter dated August 29th last:

> "Dear Mr. Sammons:
>
> I have read your note relating to the British Consul-General's communication to British papers here. The oblique efforts of our British friends to place a sort of quasi-censorship on this newspaper are rather amusing. They take all forms, from Fraser's little hints to you, to deliberately circulating reports that we are 'bought' by the Germans, and trying to incite a British boycott of our advertising columns.
>
> You might have called Fraser's attention to the fact that the story about the attack on the Governor of Hongkong was issued by the Ostasiatische Lloyd, a news service fully as reputable, and fully as reliable as Reuter's. I suppose Fraser's idea of being 'careful' in what we print would be to leave out news not sent by Reuter's and other British sources that are censored.
>
> With regards, I remain,
> Yours truly,
> Thomas F. Millard."

As you have already been advised, in an informal sense, I have made every effort to restrain the publication in the American newspaper here of war news items that might prove annoying or offensive to the members of the Consular Body or to their respective nationals. This has been a

decidedly

decidedly difficult undertaking, but I have the assurance of Mr. Millard and his assistants that they will exercise extraordinary precaution and circumspection under the existing circumstances.

However, as the war continues, various petty annoyances contribute to misunderstandings. On the whole, I should say that the British Consul-General gives indication of being in a highly exasperated frame of mind.

For instance, the CHINA PRESS published an item a few days ago, indicating that Colonel C. D. Bruce, who, I believe, has had British military service, and who has been employed by the Chinese Government since retiring from the International Settlement Municipal Council service, had brought word from Weihaiwei regarding the capture of the American registered steamer HANAMETAL. The registered owner of this vessel, Mr. Katz, had previously stated to me that this information had come through Colonel Bruce, and it subsequently transpired, through a confidential statement, that a prominent British subject here had been given the information by Colonel Bruce and had in turn informed Mr. Katz, who, ultimately, informed the representative of the CHINA PRESS.

Notwithstanding, the above, which was fully authenticated, as far as practicable to do so, Colonel Bruce wrote a letter to the American newspaper registering a general denial of having furnished the information. Subsequently, when calling upon the British Consul-General, he persistently supported Colonel Bruce in the declaration that the latter had never mentioned the subject to any person, aside from himself, and he expressed excessive annoyance and indignation that the matter had been given publicity through the source indicated in the CHINA PRESS. In this instance, it seemed

desirable

desirable to avoid further newspaper controversy in the publishing of letters which would ultimately tend to embarrass, in particular, the British subjects concerned. In the meantime, I understand Colonel Bruce is to retire from the Chinese Government service with the announced intention of returning after the war.

With reference to the Hongkong incident, the German Consul-General stated to me that while it may be true that the Governor General was not actually shot, there had, nevertheless, been a disturbance and that the Sikh, who was chiefly concerned, was shot down by the Governor General's Aid-de-Camp.

While I deeply regret such editorial or news policies of the CHINA PRESS as give offense, I have not felt constrained in communicating, officially, with the British Consul-General to admit or pass over, as unnoticed, his assertions that such policies were actuated by malice.

In connection with newspaper policies, I have to add that the German Consul-General has expressed the most intense indignation at what he considers an insult to his people and to his country, regarding the local publication of the British Foreign Office report of the statement from the Belgian authorities charging the Germans with having destroyed the city of Louvain, as a result of their own error in firing upon their own troops, et cetera. Reports of this kind have been turned over to the local British newspapers by the British Consul-General and the publishers of these newspapers have customarily printed, in connection therewith, a gracious acknowledgment of the courtesy of the Chief British Consular representative here in transmitting the same.

The

The German Consul-General, in the Louvain incident, was particularly incensed because he considered that the way in which the report was transmitted and published, it was made to appear that the British Consul-General personally vouched for the same before all the foreigners, as well as the Chinese in this community.

At the request of the German Consul-General, I mentioned his objections to the British Consul-General, who indicated very clearly that inasmuch as he was instructed by his Minister to have such reports as the one treating the Louvain incident published, he proposed to do so, regardless of the views of the German Consul-General. The latter had stated to me that he would personally attack the British Consul-General in the public press as being unfair in his procedure. I did not deem it wise to intimate this to my British Colleague.

I note, however, that in the publication of subsequent reports emanating from the higher British authorities, a modification has been made and that the appended form is now being used both in the morning and evening British newspapers:

> "H.M.Consul-General, by direction of H.M.Minister, sends us the following telegram from the Foreign Office for Publication."

Under the circumstances, broadly considered, I assume that it is generally understood that all concerned in the European war are, more or less, sensitive at this time. There is no exception to this as regards the situation at Shanghai or the attitude of the German Consul General. In fact, the German Consul-General is, possibly, more over sensitive than some of my other colleagues.

Accordingly,

Accordingly, as a general policy, I am avoiding, as far as ordinary prudence will permit, the somewhat embarrassing proposals that are at times suggested or urged in connection with the part of friendly mediation.

The German Consul-General's latest difficulty is in connection with the use of the wireless apparatus on two German steamers now in port. He assumes the pressure of the British and allied opposing authorities have caused the Special Envoy of the Chinese Foreign Office here to demand that the wireless apparatus in question be sealed up. Therefore, he intends to refuse to act until or unless British, French, Japanese and Russian vessels coming into port are likewise sealed while remaining in Chinese waters, and that, also, the powerful wireless station located on the French Concession here is abandoned.

I have the honor to be, Sir,

Your obedient servant,

Thomas Sammons

American Consul-General.

Copy, for the information of the Division of Far Eastern Affairs, Department of State.

800/891
S/F

Copy for the Legation
at Peking, China.

Amoy, China, September 14, 1914.

POLITICAL CONDITIONS, AMOY, CHINA.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

I have the honor to inform the Department that prior to the declaration of war on the part of Great Britain H. M. S. "Newcastle" stopped at Amoy on her way from Shanghai to Hongkong. As her decks were cleared for action and all brass painted over and as a night patrol was maintained, on one of the small islands outside the entrance to the harbor, which boarded all incoming vessels and signalled their nationality and character, it was clear that hostilities were imminent. Immediately following this visit orders were issued to all British shipping to remain in port and for a few days trade was paralyzed and prices for the necessities of life greatly advanced. As Amoy is entirely dependent upon Hongkong for supplies and as stocks of any quantities are never carried in Amoy the shortage of provisions etc. was immediately felt. A few days after the declaration of war shipping again became almost normal along this part of the coast of China but this afforded slight relief

relief to the provision market as the exportation of supplies from Hongkong was rigidly controlled by the Government of that colony and in many instances exportation prohibited and the shortage has continued to date with steadily increasing prices. From facts in connection with the only German firm doing business here (Pansing & Co.) it is evident that not only is every effort being made to destroy German commerce but German firms are also being prevented from importing goods even from England. As all goods from Europe, destined for Amoy, pass through Hongkong it is easy to cut off the supply of German importers. Agencies which were formerly in the hands of the German firm above referred to are now in British hands. Letters addressed to German firms are opened in Hongkong and commercial papers are held and orders from German firms are treated in the same manner. As a result the German firm in Amoy is paralyzed. A telegraphic order from this firm to the Hongkong agents for certain American Building Materials (for use by the Chinese Customs for construction purposes at Amoy) was stopped by the censor. Goods may be shipped to Amoy only when the order is placed by other than German or Austrian firms.

Upon the outbreak of hostility the North German Loyd Steamer "Andelusia" took shelter in this harbor and while here loaded a great quantity of coal. It required several attempts before she was able to leave as for some days British warships were patrolling outside and to avoid capture she was forced to return.

She

She finally succeeded in evading the warships and has since been reported as having entered Teingtau.

Following this incident nothing noteworthy occurred for a considerable period. These waters were patrolled by British warships and declared free of German warships and as a result almost all of the British boats, on regular runs from this port, took up their interrupted work. With the exception of one voyage from Amoy to Manila and a return voyage by a different steamer direct communication between this port and Manila has been suspended. This however is not unusual as each year the steamers stop running during the time when the annual plague epidemic in Amoy is at its height and there is every reason to believe that before long two steamers will again be placed on the Amoy-Manila run.

A new element then entered into the situation in the form of numberous returned Chinese coolies who had been deported from Singapore. In round numbers about 4,000 have thus returned. These men were principally laborers in the tin mines and on the rubber plantations who were out of work due to the shutting down of mines and the suspension of work on the plantations on account of the state of business brought about by the European War. Such a vast number of men being out of work and concentrating in Singapore proved a menace and it is reported that the Government of the Strait Settlements isolated about ten thousand of these coolies on an island near Singapore and arranged for their transportation back to China. On September 6, 1914 the

"Hong Bee"

"Hang Doo" a large steamer engaged in this trade brought about two thousand returning coolies after having landed a number at Swatow. The arrival of these men at Amoy at this time was most inopportune as business was almost at a standstill and there was no opportunity to find employment for them and it was feared that revolutionary agitators would get among them and stir up trouble. The situation has now been relieved by the wise action of the Chinese authorities, assisted by wealthy merchants and by the Chinese Chamber of Commerce, in deporting these men from Amoy to their home villages in the neighborhood of Foochow (福州), King Hua (興化), Chuan Chow (泉州), and Chang Chow (漳州). These men each received $1.00 Mexican currency upon their arrival and a second $1.00 Mexican currency when they embarked from Amoy to the above named places and have been promised an additional 40 cents Mexican currency upon their arrival at their destination. Although this is not a large large sum it will nevertheless keep them from want for sometime and they may find employment in their native villages. In this way 2,200 men have been deported from Amoy as follows:

FOR	STEAMER	NO. OF COOLIES
Foochow (福州)	Tu-nan	1,200
King Hua (興化) and Yung Chun (永春)	Teng Ying Chow	500
Chuan Chow (泉州)	Kango	300
Chang Chow (漳州)	Launches	200

The municipal police of Amoy City assisted by the Military

Military Police succeeded in maintaining good order in Amoy during the time that these coolies were here and confined them in temples where they were fed with funds raised by wealthy merchants from the home districts of the coolies. Although additional coolies are due from Singapore immediate trouble is not anticipated as arrangements will be made to send them to their native villages with as little delay as possible.

Since the declaration of war on the part of Japan against Germany, Japanese cruisers have carefully guarded the entrance to Amoy and have prevented the departure of German commercial vessels one of which was transporting a large party of German reservists numbering from 50 to 60 who were on their way to Tsingtau. These vessels are still in port and the Japanese cruisers are still guarding the entrance occasionally being relieved by other warships, there always being one or two ships on duty. The Chinese warship Nan Chen (南 琛) has been in Amoy for sometime past but it is anchored at the upper end of the inner harbor in a position where it would be impossible for her to observe the movements of the vessels above mentioned. Although the Japanese vessels lying outside can obtain coal and supplies by being relieved and going to Tamsui or Hongkong or by having colliers and supply ships meet them in calm weather and thus preserve China's neutrality this method has not been uniformily adopted and coal laden junks from Amoy have supplied these boats with coal just beyond the limits of the outer harbor. These junks depart after dark

dark and return before daylight, empty.

Since the outbreak of hostilities in Europe the following ships of the United States Navy have visited Amoy:

NAME OF VESSEL	DATE OF ARRIVAL	DATE OF DEPARTURE
Cincinnati	August 11, 1914	August 21, 1914.
Abarenda	Sept. 5, 1914	Sept. 8, 1914.
Bainbridge	" " "	" " "
Dale	" " "	" " "
Pissataqua	" " "	" " "
Chauncey	" 6 "	" " "

Although conditions in general are very quiet in this district and there is absolutely no indication of immediate disturbance it would nevertheless seem desirable to have an American warship within call of Foochow, Swatow and Amoy as the presence of such a ship would have a quieting effect on the Chinese population and its mere presence might have the effect of discouraging disturbances. The stagnant state of business and the consequent lack of employment for great numbers as well as the returning laborers from Singapore make good material for agitators and no foreign warships could do police duty here except vessels of the United States. This duty was formerly done principally by Japanese and British Ships.

A further report on the above subject will be forwarded to the Department should any incident of importance occur.

I have

I have the honor to be,

Sir,

Your obedient servant,

LESTER MAYNARD,

AMERICAN CONSUL.

800

...e copy of
...gned orig-
...44.

No. 4.

AMERICAN CONSULATE GENERAL,
MUKDEN, CHINA.

Notes on Manchurian Affairs

Sub. .....
Rec'd 10 OCT 1914
Ack. .....
Ans. .....
Ref. .....
A.c. .....

October 7, 1914.

SUBJECT: Notes on Manchurian Affairs.

866

Honorable Paul S. Reinsch,
American Envoy Extraordinary
and Minister Plenipotentiary,
Peking, China.

Sir:-

I have the honor to enclose herewith as of possible interest a few notes on Manchurian affairs, which are translations of items appearing recently in the local venacular press.

I have the honor to be, Sir,
Your obedient servant,

P. S. Reinsch

Consul General.

800.
Fa.
Enclosure: As stated.
Copy sent to the Department of State.

Enclosure with despatch No. 4, dated Mukden, China, October 6, 1914.

Notes on Manchurian Affairs.

Mr. Chang I-ch'en (張翼臣), Chief of the Bureau of Finance has gone to Peking to interview the Ministry of Finance regarding an application for financial assistance. Should he fail in his mission, he has resolved to tender his resignation, as he is so much worried by applications for money that he is unable to further stand the strain.

In connection with the Bureau of collecting exhibits for the Panama Exposition, the Mukden branch has collected a fine assortment of articles suitable for exhibits, including some good specimens of birds, animals, etc., which are splendid examples of the taxidermist's art. There are also good collections of mineral specimens and agricultural products to show the resources of the province in mineral, minning, and agricultural products. There are also many specimens of industrial arts connected with the manufacture of carpets, rugs, and tanning of skins, hides, furs, needle work and embroidery. All were packed up in about forty cases and forwarded to Shanghai for transhipment to San Francisco, last week. Owing to financial stringency it has been decided not to send a delegate to the Exposition from this province.

Regarding the dispute between the Local Government and the Japanese anent the agricultural venture in the front courtyard of the Pei-ling Tombs, the Japanese have now made a proposition that the government should pay them 30 years interest (the term of the original lease) plus the amount they claim to have expended for improvements, which will bring the total amount up to something like G.Y300,000.

In view of the expected early arrival of the newly appointed Civil Governor, the heads of the several departments and administrations under his jurisdiction have prepared their resignations. In accordance with Chinese custom when a new official assumes charge of office, he invariably installs his friends and relatives at the heads of the several departments under his administration.

When Governor General Fukushima paid a farewell visit to the Military Governor General here, he took the opportunity of recommending a protege of his own for the important position of Military advisor to the Provincial Government.. This he did especially in view of the present war. The recommendation is under consideration. It is generally believed that this matter has some political significance.

In view of the present European war and China's neutrality, the Central Government has sent an officer here to open a Neutrality department, which is attached to the Foreign Office. They have already engaged a number of secret service men to check any disposition on the part of Chinese citizens to deal with the belligerent nationals in contraband goods. The Kirin—Changchun Railway has already taken steps in this matter, and has refused to transport any belligerents in military uniforms, and to carry any ammunition or war supplies; nor will they give any facilities to any one connected with the war, directly or indirectly.

In the city of Mukden there are thirteen pawn shops ostensibly

sibly owned by Japanese and established for the sole purpose of making small loans at 8 % per month upon Chinese clothing#, etc. They never advance more than 25 % of the value, and the goods must be redeemed within two months; if not, they are forfeited. It may be pointed out that pawn shops may not be operated by Chinese under the same conditions, as their legal rate of interest is restricted to 2 % per month and the time allowed for redemption is 24 months.

With a view to encouraging Chinese to open business in their concession and reside there, the Japanese have issued licenses to Chinese brothel keepers where gambling and opium smoking are allowed and encouraged. One month's free license and one month's free rent are among the considerations given. In addition they have erected a theatre and sing-song houses, so as to further encourage the Chinese.

Bandit activitis are again reported in Faku (法 庫), Hsi Feng (西 豐), Chang Wu (彰 武) and other districts in south Manchuria. Many highway robberies have taken place, and a favorite plan is to visit a house, and if unsuccessful in securing plunder, to seize one of the family as a hostage. The Local Government is doing what it can in the way of sending troops to cope with this situation.

In Changchun the rouble is largely used for trading, but since the war its value has depreciated, because it cannot be exchanged for silver. It has dropped from 19 to 16 1/2 tiao per rouble. This has resulted in the native banks refusing to accept roubles for ordinary transactions, and has

tightened

tightened the money market consiberably.

The Japanese 17th club which meets on the 17th day of every month, having been unable to acquire premises, holds its meeting in either brothels, the Pei-ling Tombs or else where. This club whose membership consists of half Chinese and half Japanese , most of whom are officials, has for its objects an enterchange of views in order to facilitate Japanese interests in South Manchuria.

On account of Taonanfu having been declared a treaty port, the Japanese established a school in their concession there to teach the Mongolian dialect to their subjects. Taonanfu is in Inner Mongolia.

Rumors are current that some revolutionists and bad characters have recently arrived in Mukden. In order to maintain order, the Military Governor General called a meeting which all the high military officers attended. It was decided to order the troops of the 27th Division back into the city of Mukden.

The Military Governor General has appointed Mr. Li Yu Chou (李甫周) to be the head of the Volunteer Corps with instructions to reorganize that corps throughout Fengtien province. There are 53 districts in this province, and each one has a Volunteer Corp of about 500 men. They are drawn from among the inhabitant of the district. The expenses thus incurred are defrayed from local taxes and fines. So far as I am able to learn the old Volunteer Corps did not have adequate arms and ammunition. Some of the rifles supplied to them were relics of the Russo-Japan

war

war and the cartridges did not fit. The new corps are to be furnished with modern equipment. It is doubtful if the object in view can be accomplished under the present financial stringency unless the Central Government come to their assistance. The object in raising these volunteer corps is to suppress disorders and brigandage.

In view of the European war and on account of lack of funds, the Military Governor General has received instructions from the Central Government not to observe the National holiday falling due on the 10th instant.

Filed

Canton Notes.

Sub. .....

Recd. 26 OCT 1914

Ack. .....

Ans. .....

Ref. .....

A. .....

AMERICAN CONSULATE GENERAL,
CANTON, CHINA.

Serial No. 202. October 16, 1914.

SUBJECT: Canton Notes.

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

800

Sir:

I have the honor to transmit herewith a few items under the heading of Canton notes which may not be without interest to the Legation.

Military Precautions.

According to information received from a semi-official source that, owing to the constant rumors that many of the ex-rebels are planning to start another revolution in Canton as soon as a favorable opportunity offers, and believing that the outlaws in the interior might be induced to come to Canton and take up quarters in the western suburbs in disguise, an extra contingent of soldiers has been sent to patrol the streets in all sectionsof the city.

Hospital for Opium Patients.

A movement has been started in Canton to erect a hospital the object of which is to receive opium patients. This building is to be erected by the Government at Fu Tung Street, and, hereafter, any person arrested for smoking opium will be sent to this institution for treatment, where he will be kept until he has been cured of the habit.

Commissioner of Defence.

In

In view of the importance of the military affairs at Ko Chou and Lui Chou, a telegram has been despatched by His Excellency Lung, the General of this Province, to the Central Government recommending the appointment of a commissioner of defence for the above-named districts. Accordingly, a Mr. Wang Shun Liang, ex-Commander of the Second Brigade of "lu chün" (land forces) has been appointed to that office, the appointment to take effect at once. His headquarters will be at Ko Chou.

Proposed Business Commissioners.

The Chinese Government, having decided to send a party of distinguished merchants to America as delegates to return the visit paid by the American business commissioners, the Ministry of Agriculture and of Commerce have recently nominated Mr. Chan Lim Pak, a leading silk merchant and compradore of the Hongkong and Shanghai Banking Corporation at Canton, and Mr. Chang Pat Sze, ex-Commissioner of Agriculture, Labor, Railway and Mines, to proceed to the United States next year for the purpose of participating in the Panama-Pacific International Exposition and returning the visit of the American business commissioners.

Government Mint.

After having suspended the coining of silver subsidiary coins for some days, the Director of the Mint, in view of the small coins being badly in want in the market, has been empowered by the Commissioner of Finance to resume the coinage of subsidiary silver coins.

Condition of Affairs in the Interior.

The condition of affairs in the interior has not improved, and in some places frequent acts of piracy are reported. A good many junks have been attacked on the

waterways.

waterways. Some have escaped on the appearance of patrol boats on the scene, while others have not been so fortunate. The pirates have kidnapped many of the passengers and are holding them for ransom.

Lin Ping Magistrate Shot.

It is reported by the local press that Tse Kwok Ping, the Lin Ping Magistrate, having been charged with sentencing innocent citizens within his jurisdiction to death and burning their property with a view to extorting money from them, was arrested some time ago and brought to Canton, where he was tried and convicted by the Law Department of the Governor. He was sentenced to death and shot at a place near the outskirts of the North Gate a couple of days ago as a warning to others.

For the Better Maintenance of Peace.

In view of the frequent cases of piracy and robbery in this province, the General Commanding and the Governor, with the advice of the various military and naval commanders, have decided to divide the prefecture of Canton into eight sections, viz.,

(1) The Nam Hai (南海) and the Samshui (三水) districts will be the first section, to be jointly protected by two commanders with battalions of guards whose headquarters will be at a place called Kiang Pu (江浦), near the Kuan Shan market (官山) in the Nam Hoi District, Canton City.

(2) The P'an Yu District (番禺) will be called the second section, to be protected by a commander with six battalions of guards, whose headquarters will be at a place called Kao Tang (高塘).

(3) The Shun Teh District (順德) will be called the third section, to be protected by a commander with five battalions

battalions of guards, whose headquarters will be at a place called Ma Ning (馬甯).

(4) The Heungshan District (香山) will be the fourth section, to be jointly protected by the magistrate of the said district and a military captain with four battalions of guards, whose headquarters will be at a place called Shih Ch'i (石岐).

(5) The Sin Hui, (新會), Toi Shan (台山), and Chieh Sze (赤溪) Districts, will be the fifth section, to be protected by a military commander with three battalions of guards, with headquarters at Sin Hui City (新會城).

(6) The Tung Kuan (東莞) and Pao An (寶安) Districts will be the sixth section, to be protected by a military commander with two battalions and one company of guards, whose headquarters will be at a place called Shih Lung (石龍).

(7) The Tsang Ch'eng (增城) and the Lungmen (龍門) Districts will be the seventh section, and will be protected by a military commander with two battalions of guards, whose headquarters will be at Tsang Ch'eng City.

(8) The Ts'ing Yuan (清遠), Chung Hua (從化), Hus Hsien (花縣) and Fu Kang (佛岡) Districts, will be the eighth section, to be protected by a military commander with three battalions of guards, whose headquarters will be at the Ts'ing Yuan City (清遠城).

The various commanders in the execution of their duties are invested with authority and power to request the co-operation of the district magistrates, as well as the gun-boats within their respective districts.

I

I have the honor to be, Sir,

Your obedient servant,

F. D. Ohenhuis

Consul General.

800

LHU 78

Confidential. Copy for Legation files

Political conditions

No.46.

AMERICAN CONSULATE GENERAL.

Hankow, China, November 2, 1914.

Subject: Political Conditions in Hankow District.

866

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report, supplementary to my confidential report of October 28th, last, in regard to the political conditions in this consular district, that I am authoritatively informed that the local officials are becoming quite apprehensive concerning the possibilities of the outbreak of a third revolution. Last week, so I am informed, about twenty-five rebel suspects were executed in Wuchang. I am confidentially informed that during the past few days the local authorities tried to effect the arrest of five rebel leaders quartered in the Japanese concession in Hankow, but the Japanese Consul-General refused to permit of their extradition. It appears there are many Chinese coolies in the German concession who are at present idle and who, so it is reported, are supported from outside sources, presumably by a rebel organization.

Several weeks ago, I addressed enquiries to sixty-five American mission stations scattered throughout this Consular district, embracing a territory with an estimated

estimated population of 100,000,000 and including the Provinces of Kansu,Shensi,Southern Honan,Hupeh,Hunan, and Kiangsi. ~~I~~ asking for statements as to the political and general conditions in their respective stations. A goodly number of replies have now been received. The general consensus of opinion throughout this territory is that conditions are peaceful,more so,in most cases, than at any other time since the revolution. At the same time the officials everywhere are reported as being more vigilant and more apprehensive of trouble than at any other time. Executions are described as being common occurences. Generally speaking where there are walled cities the gates are ordered closed at dark and in many places sentries patrol the city walls. In many quarters a general dislike and distrust for Yuan Shih Kai is noted,although everywhere there seems to be a great respect for his ability to maintain peace and order. From Lao-ho-kou,the scene of the dreadful White Wolf raids,my missionary informant tells me that he has secret information from a reliable source that the military officials fear that the soldiers will not prove trustworthy in case of trouble,for it appears revolutionists have been among them making tempting offers in the way of monetary considerations.It is feared that unless the present administration continues to pay them promptly and treat them well they will enlist in the rebel cause. The missions report that in places where Northern tropps are quartered there is much confidence on the part of the masses in the Government's ability to preserve peace, whereas where Southern troops are entrusted with the task, the people feel that there is danger of trouble. To the credit

credit of the Administration it may be said that as many as possible of Northern troops are apparently being sent to the Central Yangtse regions. Thus so far as the interior districts are concerned ,indications at present point to a general condition of peace and order.

There is probably more reason for anxiety in Hankow and Wuchang than in the country districts as an organised rebellious movement would have more to gain in operations here than in less important places,moreover,the foreign concessions or probably certain foreign concessions afford a safer base of operations for rebel plots than does Chinese territory. Enclosed herewith is a clipping from the Central China Morning Post of Hankow of todays date entitled " The Third Revolution". The statement in this article to the effect that the"White Wolf" is or was an American educated Chinese is probably in error. Missionaries from Paohokou who were present at the White Wolf raid and who had reason to hear and see much concerning the White Wolf have not so far as I am aware considered him as having been to America. Some describe him as a well educated Chinese who had spent some time in Japan. He travelled about with two Chinese who dressed and looked quite like himself so as to lessen the dangers of assassination.

By way of summary,I may say that while external appearances give every indication of peace and order throughout this Consular district,there are suspicious undercurrents in the political atmosphere which would lead one to conclude that the so-called revolutionary or rebel socities are at work in no small way to undermine the present administration by the inauguration of a third revolution.

revolution. The execution of political suspects continues with no indications of letting up. The very fact that drastic methods such as these appear to have no permanent effect, would in itself force one to conclude that a third revolution is not beyond the range of a possibility.

I have the honor to be, Sir,

Your obedient servant,

Julean H. Arnold

American Consul-General.

Enclosure:

Clipping from Central China Post.

800.

Enclosure No. 1 with despatch No. 476

dated November 2 1914., from the

American Consulate General, Hankow, China.

Central-China Post

MONDAY, NOVEMBER 2, 1914.

THE THIRD REVOLUTION

We have hitherto regarded Dr. Sun and most of the leaders of his party as well intentioned men, and have credited them with the possession of an average amount of common sense, and have not been at all prepared to believe that at the present juncture they would seek to involve their country, which they profess to love so much, in fresh disturbances and bloodshed. They must be perfectly well aware that it is utterly hopeless for them to try to regain the upper hand by a repetition of the programme of three years ago, and that any such effort would only result in the wholesale destruction of property, life and prosperity, for which they would have to answer [illegible] down to the [illegible] are going to [illegible] the foreign [illegible] [illegible] arise from the [illegible] [illegible] it by [illegible] [illegible] furnish [illegible] [illegible] their [illegible] [illegible] party [illegible] [illegible] to [illegible] [illegible] China [illegible] [illegible] [illegible]

Mr. Yih said that within twelve months the war banner of Sun Yat-sen would be raised in every province of China, and that the present Chinese army would join it as a man. He discussed the rule of Yuan Shih-kai as already corrupt, and insisted that having maintained himself in power by the free use of gold. He would soon, through scarcity of funds, be no longer able to do this and then his authority would collapse. The masses were all in favour of Dr. Sun, they hated the despotic rule of Yuan, and a revolt has only to be started in order to become universal. Dr. Sun has supporters in every town of every province, and agents in the army who have secretly organised it in his interest so that it now only awaits the word. China has been divided into three sections, North, South and Central, over each of which a commissioner has been placed, Mr. Yih himself being commissioner for the South and on the eve of taking up his headquarters in Nanking. The prospects for the speedy establishment of a new, modern and genuine Republic under the rule of Dr. Sun were as bright as could be desired, and so on.

Of all these matters we know nothing, but be further dealt with a matter about which we do know something, and taking it that his information was all of a piece we conclude from this that the worthy Mr. Yih was talking through his hat. He claimed our old friend "White Wolf", whom he supposed to be still alive, as a noble patriot on Dr. Sun's side. His description of him is as follows:—

"Another army opposed to Yuan Shih-kai and deserting in battle is that led by the quiet, studious American college graduate, formerly a general under Yuan Shih-kai, and now called by him "the white wolf," but the real Chieh-mo-wo, which is the pet name and which was familiar to the country's people and will soon delight herself. [illegible] outrage [illegible] of White Wolf's fabrications [illegible] the Yuan Shih-kai people. On the other hand, Dr. Sun and every member [illegible] only the [illegible] flag of Sun Yat-sen, when the [illegible] is given."

It will be news to most of our readers to learn that the [illegible] "White Wolf" is really a quiet, studious American college graduate who had formerly been a general under Yuan, and that the tales of murder and outrage by his fierce victorious army were all fabrications. If a [illegible] redeeming [illegible] throats can be [illegible] fear the rest of the story cannot be credited. And if this army is still in existence, and more powerful than the world realises, we can only hope that all the rest of Dr. Sun's enemies and supporters are similarly afraid of Pluto's charge.

Political conditions in Tibet

Sub.
Recd.
Ack. 16 NOV 1914
Ans.
Ref.
Ans.

AMERICAN CONSULATE.

Chungking, China, November 4, 1914.

Subject: Desperate Situation along Thibetan Border.

Honorable Paul S. Reinsch,
American Envoy Extraordinary and
Minister Plenipotentiary,
Peking.

Sir:-

I have the honor to enclose herewith copy of my despatch of November 2nd to the Department with regard to subject above mentioned.

I have the honor to be,

Sir,

Your obedient servant,

E. Carleton Baker,

Consul.

Enclosure: As above.

800.

104.

Confidential

Chungking, China, November 2, 1914.

Desperate Situation along Thibetan Border.

I have the honor to refer to my report No. 84 of March 16th last entitled " A Brief Exposition of the Thibetan Situation", and to despatches Nos. 97 and 99 dated respectively August 24th and September 10th, entitled "Thibetan Conference Reaches a Deadlock" and "Thibetan Complications".

As previously reported, the Thibetan situation is extremely critical, and very few realise the deep significance of the events which are now taking place along the Thibetan border. The Chinese are making an almost hopeless attempt to conquer and subdue the Thibetans. Finding themselves unable to overcome the Thibetans by military strategy and strength, they inflict the most terrible torture upon those whom they capture with the hope of intimidating the rest. The Thibetans, however, are undaunted and simply retaliate by subjecting their captives to the most hideous forms of torture they can devise. In the meantime the country along the border is going to rack and ruin. Whole villages are being wiped out and tens of thousands of innocent people are suffering as a result of

the ruthless methods which each side has adapted. No-one can say what the outcome will be but the situation is becoming more and more desperate.

In the course of my investigations I wrote to Dr. A. L. Shelton, an American missionary stationed at Batang, requesting him to furnish as much information as possible along this line. His response was most friendly and complete, but the information he has given is highly confidential and should be treated as such. If Dr. Shelton's statements should reach British authorities they might use them against the Chinese and Dr. Shelton's position and his life too might thereby be endangered. The following excerpt is taken from Dr. Shelton's letter to me of September 26th which was written just after he had taken a trip to Draya, ten days beyond Batang: "In your request for information re conditions on the border, I am in somewhat of a quandary. However I shall be glad to furnish you as American Consul any information I can with the understanding which I trust you will readily agree to that it is for your use and not for the information of any British agent or consul as under present conditions you can readily understand how I might earn the lasting enmity of the Chinese by furnishing anything to Britain.

I have just returned from the seat of war in and around Draya, ten days to the west of here near the Mekong river in the interest of the wounded and sick, both Chinese and Thibetan. I went at the solicitation of Lu Tung ling and have been thanked by Commissioner Chong by wire from Tachienlu.

conditions.

1st. The Commissioner is still at Tachienlu. He is expected to start for Batang before the end of the month.

2nd. The Chinese losses since the Revolution have been here on the border according to Li Tung Ling were then 10,000 men from all causes.

3rd. The country east of the Mekong is now all in Chinese hands except one small place (Hsin Tai Tang) on the banks of the Mekong, three days north-west of Draya, and they have in all probability taken that within the last few days.

4th. The Chinese soldiers are for the most part in all the country past here in a miserable plight, having had no pay for 11 months. This is a dangerous situation with winter coming on. They have been promised some pay within the next 60 days and report has it that some silver has already left Tachienlu.

5th. About half of the soldiers are married to Thibetan wives and have babies. These wives are nearly all going toward the front, there are perhaps 500 in Draya alone. Heretofore a soldier's wife was allowed from the Govt. Granaries to draw monthly enough grain to live on. An order has just come through forbidding further distribution to soldier's wives (another menace to the peace).

6th. Ulag - (furnishing transportation by the people of a community) is at present exceedingly difficult and will become more so as winter comes on, the animals on some routes having more than half of them died from over-work and starvation. The Thibetans are in a deplorable state of want.

7th. The cruelties and barbarities perpetrated by the Chinese soldiers on captured Thibetans and officers are incredible. In addition to decapitation, shooting, cutting up alive and strangulation (ordinary Chinese punishments) there were perpetrated at Dzogo in July the following:

1. Boiling in large cauldron (alive).
2. Burning with fire.
3. Cutting arms off at elbow and letting bleed to death.
4. Hitching a yak to each arm and leg and tearing to pieces.

I took photos of cauldron used for boiling and of shelters left by dogs of those who had been otherwise done to death.

8th. Burning of buildings when captured is the ordinary procedure and the desolation and ruins in all this country are pathetic in the extreme.

9th. The people are at the mercy of first the Thibetan soldiers from Khasa then of the Chinese soldiers as first one side and then the other gain the advantage.

10th. One of the Khasa generals, a brother of the Dongtsai who is here in Batang, was wounded in a recent fight.

11th. The Thibetans have somehow (the Chinese say from India) obtained possession of a considerable number of modern army rifles and are much more difficult to combat than formerly.

12th. There are said to be (by the Chinese) a party of English accompanied by some Indian soldiery on the Thibetan side surveying and prospecting.

13th. About 100 Chinese soldiers have deserted to the Thibetans and have been introducing Chinese methods among them to the discomforture of the Chinese arms.

16th. The feeling amongst the Chinese against England
s the Thibetan situation is intense and some of the officers
ve been asking for more troops etc. that they might carry
e war on to the Indian frontier.

17th. The Chinese report atrocities on the part of the
ibetans also saying that captured Chinese have been skinned
live and one party of 107 who were surrounded , their ammu-
tion having given out, were given the alternative of being
t down or jumping in the river which latter alternative
ey accepted and all perished.

Now Mr. Baber I have written you fully and freely
garding that my request in the first part of this letter will
be honored by you as I know it will, as there is ample grounds
r the Chinese to request my recall hereon - not that I
uldn't gladly resign and go home if that would bring peace
to this country. I was treated with great respect and con-
sideration and I might say love by both Chinese and Thibetans
and I was privileged to treat of wounded and otherwise about
600 patients during the 35 days I was out.

With kindest regards.

I am,

Truly yours,

(Signed) A. L. Shelton."

As the consular district of Chungking includes
"the province of Szechuan and all of Thibet south of/Kokonor
the
region" I have endeavoured during my three years here to cover
the entire field as completely as possible and have endea-
voured at the same time to give due attention to the many
other phases of the work - commercial and otherwise - which

an office entails. However, as in most offices, time and facilities are both extremely limited while the multitudinous duties of a consul are endless. For this reason it is difficult for a consul to give each department of the work the exact attention which it requires. He should be guided to a great extent by the judgment and requirements of the Department but if the Department gives little or no indication as to the importance which attaches to reports which the consul should furnish from time to time, it is very difficult for him to know whether the pains-taking efforts which he has put forth in obtaining material and working it up are appreciated or even desired. While the foregoing observations apply to several classes of reports which I have in mind, they are made with special reference to the reports on Thibet which have been sent from time to time as a result of careful investigation and pains-taking work.*

I have the honor to be,

Sir,

Your obedient servant.

E. Gilbert Baker,

Consul.

* Information about the Thibetan situation is contained also in my despatches to the legation of the following dates:

July 24,1912.
September 9,1912.
September 10.1912
September 20,1912.
November 1, 1912.
February 18,1913.
April 18, 1913.

800.

Supposed plot for the restoration of the Manchu dynasty.

Peking.

No. 449.

November 24, 1914.

CONFIDENTIAL

800

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to report, for the information of the Department, that during the past week considerable excitement has been created in Peking, as well as throughout China, by rumors of a supposed plot for the restoration of the Manchu Dynasty.

As far as the facts known to me indicate, the rumors took their rise in consequence of a literary discussion of the advantages which would flow from a return to the imperial form of Government. An old official and scholar, Lao Nai-hsuan, attracted special attention through certain letters he wrote which were then republished in the Chinese press: translations of these letters from the

PEKING

PEKING DAILY NEWS are herewith enclosed. Other persons implicated were Sung Yu-jen, a distinguished Hanlin scholar, and a number of men who are members of one of the Confucian societies. An additional source for the belief that a pro-Manchu movement was going on was the fact that Tieh Liang, one of the most noted Manchu generals, was in Peking, having returned to China (it is reported) because of the ill health of his son, who lives in Tientsin; and his presence in Peking and Tientsin coincided with that of Na Tung, who had since the Revolution lived in the latter place.

On the night of November 18th a great many disquieting rumors were current in Peking: it was reported that large bodies of troops had been brought in from Kalgan; that troops in the west city had mutinied, with the result that some five hundred were killed or wounded; that Sung Yu-jen, the man mentioned above, had been executed, and that numerous members of the Confucian Society had been arrested and some of them put to death.

Throughout the following day, November 19th, rumors of this kind were repeated; the population was much disquieted, but no one seemed to know the actual facts.

All these rumors were in the main untrue. The actual facts were that Sung Yu-jen had been arrested (an account of his arrest, as published in the PEKING DAILY NEWS of the 20th instant, is enclosed) and that there had been a slight disturbance among the Manchu Bannermen, not the troops in the west city, who have become very dissatisfied because their pensions are in arrears. It is not known that anyone was injured or that the action

was more

was more than a noisy demonstration.

On November 20th the State Council passed a resolution on the matter, a translation of which is herewith transmitted (clipping from the PEKING DAILY NEWS of November 21st). On the basis of this a Presidential Mandate was issued on the 23rd instant a translation of which, from today's PEKING GAZETTE, is herewith enclosed. The Ministry of the Interior also issued special instructions to territorial officials, a translation of which is also enclosed.

From everything that is known thus far, it may fairly be concluded that no plot has existed in the sense of a systematic and secret conspiracy for the purpose of the overthrow of the present government in favor of the Manchu Dynasty. The representatives of the Imperial Family promptly disavowed any connection with the matter; and the very character of the discussion that brought on the excitement would indicate that it was rather the result of literary imaginings than of political plotting: yet the disquiet which was caused by the rumors is indicative of a certain tenseness and nervousness of public feeling.

The officials of the Government were very indignant that such exaggerated and untrue rumors should be given currency, as it was feared that they would be telegraphed abroad and, though they might be denied later, would cause present mischief. The Government is making very careful inquiry as to whether any one can be held responsible for originating the rumors.

STRICTLY CONFIDENTIAL.

As the

As the relations of China to Japan are uppermost in men's minds here, it is natural that there should have been many surmises as to a possible connection of the Japanese with these rumors. That Tieh Liang came from Japan gave rise to the idea that he might have received certain assurances of support from the Japanese Government. With regard to the spreading of the rumors, the Chinese believe that the Japanese have been active in that respect: of late frequently false rumors have been either started or disseminated by the Japanese through going about among the various legations and newspaper men asking whether certain things which they had heard were true. It is very easy to give currency to reports in this manner, making them the general talk of the town. The Chinese believe that it might be to the interests of the Japanese to have the report go out that conditions in Peking were unstable, and that the Government was confronted by armed mutinies. It was also noted that on November 18th the Japanese had withdrawn a full company of troops from their Legation Guard, reducing their numbers far below the ordinary strength.

I am reporting these matters as an indication of the state of public feeling here.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:
As stated.

800.
A true copy of the signed original.

DAILY NEWS, November

Manchu Court Trouble.

The news of the week which occupies most of the attention of the public is the rumour that some important personages have advocated the restoration of administrative power to the Manchu Court with a revival of the monarchical form of government. So serious becomes the report that Mr. Hai Shou-kang and other censors have submitted to the President a memorandum, a translation of which was printed three days ago in the *Peking Daily News* requesting that the publication of all articles dealing with the restoration of the Manchus to power be prohibited. Who is at the bottom of the trouble is an interesting question. Most Chinese papers declare that it is Lao Nan Hsuan, a notorious conservative scholar, who is responsible for the circulation of the sensational news. Lao Nan Hsuan was a magistrate of Chihli during the Ching Dynasty, and when the former Government endorsed the action of the Boxers, he wrote phamphlets to condemn it, threby incurring the hostility of his royal patrons and losing his position. He was once the President of the High School in Chekiang, of which province he is a native. He is known for his stubborness, and as a champion of the cause of the Manchu Court. After the establishment of the Republic, he went to stay in Tsingtau where he was largely associated with the Manchu princes and members of the Royal family. At the commencement of the fight for the possession of Kiaochow, he left Tsingtau and established himself in Tsinan, from which place he launched his phamphlets on the restoration of the Manchu dynasty and despatched three letter to his influential friends in Peking, one of whom is the Secretary of State, begging them to communicate his ideas as expressed in his books to the President and help him in furthering the cause of which he is an advocate.

Though his proposal is [illegible] has created a sensation among people in the Metropolis. I briefly translate below his letter to Mr. Chow Yu-sun, father of Chow Hsueh-hsi, ex-Minister of Finance and Acting Minister of Agriculture and Commerce, a great favourite of the President; to Mr. Chao Erh-sun, Viceroy of the Three Eastern Provinces, and now the Director-general of the Bureau for the Compilation of the History of the Ching Dynasty; and Mr. Hsu Shih-chang, Secretary of State.

In his letter to Mr. Chow, Lao Nan-hsuen writes as follows :—

"During the Chow Dynasty, Statesmen Chow and Chao jointly held the reigns of the country on behalf of their young Emperor for seven years, at the end of which they returned the power to their Master. What they did was a true mark of republicanism. History repeats itself, and the present circumstances are similar to that in the Chow Dynasty. If we can imitate the right conduct of the two Statesmen I am sure all concerned will feel satisfied. With this historical incident in mind, I wrote an essay on "the True Interpretation of Republicanism" in the hope that this idea of mine, though poor and crude, perchance might be adopted by the high authorities. Once I was honored with a visit of Mr. Chao Erh-sun while staying in Tsingtau. He came from Peking and told me that President Yuan himself said what he had been doing was for the protection of the Imperial family. At first President Yuan was reluctant to be the President of the Republic and be unloyal to his former Government. He consulted the Chancellor of the Imperial Household with a view to shifting the heavy responsibility from his shoulders. The Chancellor replied that he could not find a man as capable as Yuan to take his place. In consequence, President Yuan could not help assuming the reigns. I can sympathize with him. After long meditation, I have formulated a plan

...might save the country from ...olution. Immediately I wrote the ...ssay on the "True Interpretation of Republicanism." I asked Mr. Chao Erh-san whether he could present the essay to the President on his behalf, and he replied he would. I am anxious to know whether he has presented it to the President. Fearing that what has been expressed in the essay might not be clear to everybody, I wrote an article on the origin and relative advantage and disadvantage of a Republic and a Monarchy." I have recently had the article printed in phamphlet form for distribution in the capital as well as in the provinces. In so doing, I hope I may stir up the public discussion of the question. Herewith I am sending you copies of my essays, upon which I desire to have your frank comment."

He wrote to Mr. Chao Erh-san as follows:—

"I desire to know whether you have presented my phamphlet to the President, and what he thought of it if it had been presented. Formerly the President was very good to me, and now he has appointed me a member of the State Council. While regretting that I could not come to take up the post, I cannot forget my duty to the country. I dare not refrain from telling the President what my heart dictates. The China of to-day is in a precarious condition. Although the rebel party has been suppressed, its leaders are still at liberty. They will disturb peace when they have a chance. The soldiers are proud, and they constitute a menace to the country once their hats are removed. Day and night the President guards against unpleasant happenings. It is indeed hard on him. But the Presidential term is limited, and after he resigns, he becomes a common citizen unprotected by soldiers. It is difficult to tell what will happen to him, in view of the fact that there are numerous persons who are his enemy. Yuan Han-chang (another name of the President) surpasses others in wisdom and can foresee all this. Unless he has a better plan, I suggest that he should consider my small scheme. In my humble opinion, one must show to the people that he is not making the world his own property if he expects no rivals, and that he has not forgotten his loyalty to his former Master which will result in dispelling a soldier's pride. If at present the Manchu Court is restored to power, the Emperor is too young to administer state affairs. There is no better man than Han Chang to act for him for the coming ten years, according to my foolish opinion, but it is necessary to publish his intention. After the restoration of the Manchu Court, Han Chang will be made a prince second to the Emperor in rank, and unlike the President who after resignation becomes a common citizen. He will live in a big mansion free from all dangers. In the Chow Dynasty, when the Emperor assumed the reigns, his two loyal statesmen still helped him in the capacity of the Prime Ministers. Furthermore, the rank of prince is hereditary while that of the President, or a Republic is not. The offsprings of the former will be glorified from generation to generation. It is many times better to be a prince than to be a President. There is no better way to turn a calamity into a blessing. When that is done, Han Chang will feel safe, the Imperial family will feel safe, and the people of the whole world will feel secure. Realizing that the people pay a great deal of attention to publicity, I wrote these essays and had them distributed among the inhabitants in the Capital and elsewhere. I request you to kindly call the President's attention to the essays. If my ideas receive his approval, I hope they will be submitted to the Constitution Conference and the State Council for consideration. If they are adopted, it means peace to the country."

In his letter to the Secretary of State, he says thus:—

"I always hear from the people coming from the capital that the President has not forgotten his loyalty to the Imperial family. The circumstances compel him to do what he is doing now as the President

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He wrote to Mr. Chao Erh-sun as follows:—

"I desire to know whether you have presented my phamphlet to the President, and what he thought of it if it had been presented. Formerly the President was very good to me, and now he has appointed me a member of the State Council. While regretting that I could not come to take up the post, I cannot forget my duty to the country. I dare not refrain from telling the President what my heart dictates. The China of to-day is in a precarious condition. Although the rebel party has been suppressed, its leaders are still at liberty. They will disturb peace when they have a chance. The soldiers are proud, and they constitute a menace to the country once their hats are removed. Day and night the President guards against unpleasant happenings. It is indeed hard on him. But the Presidential term is limited, and after he resigns, he becomes a common citizen unprotected by soldiers. It is difficult to tell what will happen to him, in view of the fact that there are numerous persons who are his enemy. Yuan Han-chang

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essays. If my ideas receive his
approval, I hope they will be
submitted to the Constitution Con-
ference and the State Council for
consideration. If they are adopted

circumstances compel him to do what he is doing now as the President. If the ancient republican spirit is revived, and history repeats itself, it means blessings to all. If my plans embodied in the essays which I wrote can be carried out, the salvation of China is insured. (Here he repeats what has been said above.) In conclusion, I will request you to present my essays to the President and in your leisure hour to say a good word for the scheme, the adoption of which means happiness

PEKING DAILY NEWS November 20th, 1914

Alleged Dynastic Movement.

Famous Scholar Detained.

The current report of the execution of Sung Yu-jen, a distinguished scholar and an old *Hanlin*, who is said to be connected with the propaganda for the restoration of the Manchus to power, is untrue, but since the evening of the 17th instant he has been under custody in the Gendarmerie Yamen. The *Ming Pao* gives an interesting and amusing account of his arrest. It says: On the evening of the 17th instant, Sung Yu-jen was dining with a friend in a restaurant, and before the dinner was half over, he received a note from a high official who desired to see him at once in his office. On leaving the restaurant, he found a carriage waiting, which he entered at the request of the messenger, after dismissing his own mule-cart. He travelled in the company of a friend who had also left the dinner party and who occupied another carriage. Their carriages ran side by side at full speed until they reached Hsiang Fang Chiao, where Sung's carriage moved in another direction and soon disappeared. A few minutes later, Sung found himself in the presence of the Commander-in-Chief of the Gendarmerie Yamen.

The *Hanlin* did not return home that night, and the next morning all the servants of his family were sent to ascertain his whereabouts. After much inquiry they discovered that their master had been arrested and was detained in the Gendarmerie Yamen. Immediately Sung's son repaired there and demanded to see his father. His request was granted, and he was taken to the reception room where old Sung had been waiting for him.

The distinguished scholar told his son that the Commander-in-chief was very kind, and kept him there for some special purpose. Then he gave the gist of the conversation between the Commander-in-chief and himself after the arrest as follows:—

The Commander-in-chief: Have you read Lao Nai-hsuan's essay on the "True Interpretation of Republicanism"?

Sung Yu-jen: Yes, I have read it once.

The Commander-in-chief: What do you think of it?

Sung: The style of the essay is rather poor, and it is not well composed. I am thinking of re-writing it, and trying to make some improvement.

The Commander-in-Chief: I would like to know your opinion on the subject. How would you treat it if you were the author?

Sung: If I re-write it, I will chiefly deal with the political side of the question, and not the personal aspect as Lao has done in his essay.

The Commander-in-Chief: Do you know what is my purpose in having you here with me to-night? I want to protect you. These few days there has been widely circulated a rumour about the restoration of the little Emperor. Needless to say that the report has greatly embarrassed the Imperial family. I am afraid that out of the dissemination of such news something untoward may develop to the detriment of the people. I want to accord you my protection. Here you are. I hope that in future you will exercise more care about what you say.

Then the Commander-in-Chief retired, and by that time I knew I was placed under custody. I have since been well treated by him and the keepers of my room with whom I have absolutely no fault to find.

Here Sung's conversation ended, and his son withdrew.

Everything indicates that Sung Yu-jen appears to have little or nothing to do with the movement for the restoration of the Manchus to power. Those who know him well say that he suffers from a mental disease and is fond of displaying his literary style. It is a common belief that what he advocates is mere paper talk, as he has no followers and is allied with no rebel party or secret society. No doubt his incarceration is due to the verses in which he celebrated the birthday of the Secretary of State. In the poem of felicitations, he is said to have mentioned something about the return of the monarchy, which he did not mean to be serious.

Sung is a native of Szechuan, and is a scholar of no little fame. Several years ago, he was a professor of literature in the Government University. Once he was Expectant Taotai of Hupeh. Twenty years ago, he was an attache to the Chinese Legation in London where he stayed for some time though unpopular among Britishers, on account of his small stature. Both the Chinese Minister and another attache were quite tall, but he was short. While in England he usually wore high soled shoes, thereby raising his height up to the level of the Minister's shoulder. The members of the Chinese Legation frequently overheard such remark from the Britishers: Why does China send him here? "Is there no taller man in China?" In Peking he is known as Dwarf Sung. Now he is a member of the Bureau for the compilation of the History of the Republic. He is an abler writer than Lao Nai-hsuan, and his little knowledge of English always stands him good.

It is difficult, if not impossible, to tell at present whether this alleged dynastic movement has been started by the presons hostile to the Republican regime who are secretly aided by some foreigners, as popularly believed in some circles, or whether a few irresponsible scholars fond of writing on all sorts of political subjects have caused the trouble. At any rate, the Government is endeavouring to ascertain the truth. According to report, twenty arrests have recently been made in connection with the case, and one vernacular paper says that some of the members of the Confucian Society are among the arrested. An old man, by the name of Fan, about 70 years old, who is a collector of waste paper, and his son were taken the other day from the Building of the Confucian Society, where they stayed. It is said that Lao Nai-hsuan, the author of the essay on the "True Interpretation of Republicanism" has fled from Tsinan to Tsingtau.

The President has forwarded the memorandum of Hsia Shou-kang requesting the prohibition of the publication of articles dealing with the restoration of the Manchus to power to the Imperial Household, says one paper. The *Shun Tien Shih Pao* reports that the Imperial Chancellor interviewed the President on Wednesday assuring him of the loyalty of the Imperial family to the Republic, and stating that he heard nothing of the dynastic movement. That this movement is unpopular with the Manchus themselves is cleverly shown in Prince Kung's denunciation of the essay.

The Dynastic Plot.

The following is a translation of the resolution against the restoration of the Manchu Dynasty which was introduced yesterday in the State Council by Member Sun Yu-yun and unanimously passed:

"To-day, our country is in a dangerous position, as it is beset with perils from outside. Even if the people of the five races can be brought together to work for the welfare of the country harmoniously, we are not sure of our success, how can we allow the rumour of the restoration of the Manchu Dynasty to be circulated? It is not known from what source this report comes, but the man in the street has talked a great deal of it. We are suprised to hear of such rumour. Since the establishment of the Republic, the extremists have brought our ancient civilization almost to an end, and the learned class has been oppressed and is suffering in every way. In consideration of the danger of national ruination, the President has endured much insult and has faithfully discharged his heavy responsibility by putting down disturbances and restoring peace to the people. The nation is thus enabled to enjoy tranquility. When the period of turmoil is over, and a huge amount of constru tive work is to begin, the President gives old scholars favourable treatment. For instance, he has established the Historiographers' Office. In doing so, he desires to preserve the national integrity and prevent dissension, but people do not understand his good intention. Last year there was a proposal to make the President an Emperor, and the man who made the proposal was severely reprimanded by the Chief Exective and the authorities of his locality were instructed to punish him as a warning to others. Now that the dangers from without are still continuing, there comes the rumour of the restoration of the Manchus to power. Such proposal is absurd in the extreme, and is unworthy of refutation. Those who circulate it know how to be faithful to one man only, and not to the nation. They are indeed very ridiculous. As the rumour tends to disturb the mind of the public, if the Government does not punish those who are responsible for it, and the authorities of the Ministry of Interior do not take measures to stop its circulation, it would be unjust to the man who was punished for having made a proposal that the President be made Emperor. The law of the nation will be abused if the same crime is not punished in the same way.

"During the Revolution, the Government and the people opposed each other, but since the establishment of the Republic all the people are united together as hands and feet. The publication bearing on the racial difference have disappeared, and the people of five races are living as if under one roof. This is a good tendency. What is the intention of those who do not desire to preserve this tendency and seek to stir up the bad feeling between the five races? Such persons are public enemies of the nation.

"The disseminators of the rumour consider themselves faithful to the Manchu Court whose virtue in abdicating the Throne can be favourably compared with that of Emperors Yao and Shun, and of which they must be ignorant. If they advocate the restoration of the power of one family, the Imperial family will be placed in an awkward position, as their proposal is at variance with the original intention of the Manchus in giving over the administration of the country to the people.

"After the declaration of the establishment of the Republic by the Manchus, a provisional government was formed and existed almost for one year, during which period China's position was not quite sound. It was only after the establishment of the formal government, the foreign powers gave their recognition to this Republic, having confidence in the ability of the Administration to improve our domestic affairs and protect foreign life and property. If this preposterous rumour were not stopped regardless of the dangers to the country and the shaking of the national foundation, who shall be held responsible if any foreign power rebukes us and intervenes in our internal affairs ?

"Every dynasty after its destruction is always survived by the people who were once under its rule. According to the historical practice, the succeeding dynasty invariably gives special treatment to those who would abide by the new law and kill those who oppose its rule. However this time we did not make any dynastic change, but we simply established a republic to take place of the monarchy. Therefore there is no reason why the people should be disloyal while on the contrary they have natural responability towards the nation on whose behalf the authorities only discharge duties. Those who give up the responsibility cannot be considered as honorable, but the rivals for power always disseminate rumours with a view to gethering followers and strengthening their hands, and they use conservative scholars as their instruments, and would be pleased if the people of the Republic become disunited. If the rebel party takes advantage of the dissension of the people's hearts, it is to be feared that unexpected danger will destroy the result.

"Any movement that is calculated to jeopardise the form of government, to disunit the five races, to endanger the Manchu Court, to court foreign intervention, or to create internal disturbance, will be able to destroy the nation. It is now three years since the declaration of the establishment of the Republic by the Manchus, and during this period the Republican Government has treated the Imperial family better than what was provided in the terms of abdication. The Imperial Household has likewise shown every respect towards the Republican administration. The sincerity between the Imperial Household and the Republic is a blessing to the whole nation for which the four hundred millios people should feel grateful. Amids the happy association comes this absurd rumour which will endanger the national existense. We ask the Government to give its attention of this matter and punish those who are responsible for the circulation of this report with the intention of disturbing peace in accordance with the treason law in order to avert calamity. Acting in the capacity of the Legislative Council, we send this despatch to the President according to the seventh clause of Artcle 31 of the Provisional Conetitution and request him to act on it."

The bill was proposed by Sun Yu-yun and countersigned by Liang Shih-yi, Tseng Yun, Chao Wei hsi, Liu Shih-tseng, Pao Hsi, Sung Siu-lien, Yin Chang, Lien Fang and twenty-seven others.

The Dynastic Plot.

Several Chiang Chuns of the provinces have wired to the Government protesting against the circulation of the harmful rumour of the restoration of the Manchu Dynasty and requesting that the disseminators be severely punished.

Yen Hsi-san, Chiang Chun of Shensi says in his telegram that the report about the revival of the monarchy will disquiet the minds of the people who will suspect the Manchus of having started the movement or will suspect both the Manchu family and the rebels of being concerned in the plot.

The President received a telegram from the Chiang Chun of Sz-chuan reporting that his military officers had arrested a number of persons who tried to start a rebellion by gathering the *tufeis*, under the name of restoring the Manchus to power. Their secret organs had been discovered and some of their members had been arrested and punished in accordance with law. We learn from the confessons of the arrested that they have made connections with the bad characters in Shensi, Anhui, Shansi, Honan and Hupeh and the Three Eastern Provinces, and that Tsen Tsung-hsuan, a rebel leader, has frequently corresponded with his followers in these provinces. From this it is clear that the rebels who try to disrupt the Republic are scattered in several provinces.

The Chiang Chun of Szechuan says that he hears of the rumour of the restoration of the defunct dynasty circulated around Peking, which he believes the rebels have disseminted for some nefarious purpose. He then dwells upon the favourable treatment extended to the Manchu Court and the good feelings prevalent among the five races.

The Chiang Chun of Kwangtung has issued a public notice, a copy of which has been telegraphed to the Government, urging the people not to listen to the wild talk of the rebels. In the notice he mentions four reasons why the rebels cannot succeed. Firstly Heaven and the people are against any attempt to disturb their peace. Secondly, the rebel object is to enrich themselves at the sacrifice of the people. Thirdly, the rebels have no means to start an uprising, and they must secure money from the people by various kinds of outrageous methods. Fourthly, the Government has taken every precaution to guard against any untoward events, and it is impossible to have another rebellion in view of this vigilance. In conclusion the Chiang Chun promises rewards to those who can give information leading to the discovery of rebel organs and the arrest of rebels and promises pardon to those who are misled by the rebels and who repent.

The Bill [illegible] the Restoration of the Ching Dynasty has been very much appreciated by the President who will appoint delegates to attend the House and to tell the House the policy of the Government regarding this matter. It is the wish of the Government that nothing unfair should arise from this incident to injure the general situation of the country. On receipt of this Bill the President invited the Vice-President, the Secretary of State and a few other high officials to his office to discuss the matter. Mr. Hsu said that when he received a letter from Lao Nai-hsuan he did not believe that so much importance would be attached to it, thus making Lao a laughing stock of the public. The President said that Lao was a man of great ability, and he had always been interested in him. But when Lao refused to accept the post of Tsan Cheng, it was then noticed that something was wrong with him. But he did not know that Lao had cherished such plans in his head.

THE RESTORATION MOVEMENT.

The Ministry of Interior has issued the following instructions to the Governors, Chiang Chun, Resident Generals, Lieutenant Generals and Chief Officials, requesting that steps be taken to guard against the Restoration Movement thus affording a better protection to the interests of the Ching Family:

When the Outbreak of the Revolution took place in the year of Hsin Hai the opinion of the people unanimously agreed that a republican form of Government should be adopted, therefore when the righteous voice was raised it was responded to by the whole nation. The Ching House knew that the affections of the people were alienated from it and there was no longer any chance of retaining the Monarchical form of Government, therefore it abdicated and returned the administrative power to the nation. In the Provisional Compact it is plainly stipulated that the sovereign power of the Chung Hua Min Kuo shall be vested in the people. Thus the form of Government of China shall forever be a Republic without any possibility of changing. However there are some ignorant and violent characters, who try to advocate the possibility of the Restoration of the Ching Dynasty, with the object of shaking the foundations of the nation and unsettling the minds of the people. Indeed such rumours will tend to disturbance of the peace and tranquility of the nation. Therefore it should be made known that during this critical moment when the people of the country have been afflicted by all kinds of calamities the Five Races should unite together with one accord to tide over the crisis. There is indeed not the slightest hope for government by one family. We should not allow the madness of any one to sacrifice the nation in order to profit the outsiders. These offences can never be tolerated. There are special laws against those who try to change the form of government. Therefore rumours promulgated by bad characters should by all means be suppressed. If they should start any lawless acts, they should at once be arrested and dealt with according to the law dealing with treason. The Governors, Chiang Chun and other high officials are hereby requested to instruct their subordinate officials to issue proclamations to the people and the troops to the effect that they should by no means listen to these rumours so as to invite the punishment of the law.

[illegible] people have asked the Government [illegible] the administrative authority to [illegible] Viceroy, and consequently [illegible] and other Censors have [illegible] a petition requesting that an in- [illegible] be instituted and prohibition be [illegible] regarding the same. We have [illegible] instructed the Ministry of Interior to [illegible] into and deal with the case. Now [illegible] again in receipt of a despatch from [illegible] Tuan Cheng Yuan, which now sits in the [illegible] of the Li Fa Yuan, enumerating [illegible] harmful influence exercised by the [illegible] of rumours, which would tend to [illegible] the minds of the people, such as the [illegible] of misconceived actions of the form- [illegible] of government, the sowing of discord among [illegible] the injury which will be done [illegible] the Ching Family, and the introduction of both external and internal troubles; and requesting that the case should be severely dealt with according to the statutes bearing on internal sedition as provided for in the new Criminal Code, so that dangers may be averted, etc. Another despatch has been received from the Chief, and all the Censors requesting that as some people have used fallacious doctrines as their basis, apparent to agitate among the people, with the object of perverting the constitution of the nation, Mandates be issued to suppress them and to arrest them with a view to punishment, etc. Again, telegrams have been received from the Chiang Chun and Governors of the various provinces requesting that as fallacious doctrines have been spread to upset the administration and endanger the nation, instructions be issued to the provinces for their strict prohibition, etc.

It will be remembered that on the outbreak of the Revolution in the year of Hsin Hai, the whole nation was shaken, and the very foundation of the country was seriously affected in passing through an extremely great danger. The late Hsiao Ting Ching Empress Dowager who studied the external circumstances and the public opinion of people, was unwilling that millions of people should suffer by reason of the selfish desire to protect the interests of one family. Her high ideal and liberal example has indeed been the common admiration of both foreigners and Chinese. The Ching Family and its Clansmen in Peking fully sympathise with her good intentions and understand well the general situation. They have been on good terms with the Government of the Min Kuo. I, the President, have been three years shouldering the responsibility of government since the time of my inauguration. I have experienced all kinds of hardships and have taxed to the uttermost my energy and strength. As I have deemed it my duty to effect the salvation of the nation and the people, I have been obliged to undertake what is a most difficult task. Had I tried at the beginning to live in retirement in order to escape suspicion, watching the danger of the nation with hands folded and pretending to be actuated by high ideals, I do not know what would have become of the millions of our fellow-citizens. I believe that the people of the whole nation are able to understand my position. Although the great calamity has been for-

[illegible] fortunately averted and peace and [illegible] been restored, internal danger still [illegible] external menace have never been more [illegible] fest. It is [illegible] to say that we [illegible] anxious even if we work with our best [illegible] accord. How then can we allow [illegible] rumours to disturb the minds of the people? [illegible] making these libel people's [illegible] the authors have only betrayed [illegible] [illegible] of high morals without taking [illegible] consideration the general inclination of the world or the wishes of the citizens of the nation. Besides this they have [illegible] else in view. But they do not [illegible] that at this time, when the foundation of the nation is not yet consolidated and the minds of the people have not yet been [illegible] pacified, that the spreading of such [illegible] doctrines are certain to give rise to [illegible] calamities, by the rebels and further [illegible] scope to the Powers to stir up disturbances. Should it be our misfortune to witness [illegible] untoward happenings, the only possible [illegible] sequel will be the permanent injury of the [illegible] nation and the complete overthrow of the [illegible] Ching Family. Thus, they will not only be [illegible] the common enemy of the Republic but [illegible] sinners against the Ching Family. [illegible] over, I, the President, have been [illegible] all those who have only [illegible] upon the plot. [illegible] [illegible] to be taken cognizance of, I hereby [illegible] [illegible] the information of the [illegible] [illegible] our country, that we [illegible] [illegible] principle of [illegible] [illegible] the Constitutional Compact, and that [illegible] statements are punishable by law. [illegible] anyone gives expression to [illegible] statements or tries to destroy the Constitution [illegible] either by writing, speaking or [illegible] will be punished according to the provisions [illegible] of the law governing sedition in the strictest [illegible] manner, in order that the foundation of the [illegible] nation may be consolidated and the [illegible] sedition nipped in the bud.

The effect of Japanese
action in Shantung.

Peking,

No. 460. November 28, 1914.

STRICTLY
CONFIDENTIAL

800

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to report on the effect of the Japanese action in Shantung upon the state of public feeling in China.

While in itself the Japanese attack upon Tsingtau was extremely unwelcome to the Chinese and filled their minds with grave forebodings, it was the subsequent action of Japan in extending her occupation along the entire railway to Tsinanfu and including therein the mining properties of the Germans that caused for a time a dangerous condition of public feeling among the Chinese, as it seemed to indicate that the occupation of the military base of Tsingtau was to be merely an incident and to serve as

serve as excuse for extending Japanese political influence throughout the Province of Shantung. The Chinese Government vigorously, though vainly, protested against the disregard of neutrality which was involved. I have the honor to enclose copies of the protests, which were furnished the Legation by the Foreign Office. It is probable that no action of any foreign power has come so closely home to the Chinese and has demonstrated to them so forcibly the dangers to which national weakness exposes them as have these last inroads of the Japanese in Shantung. It was only with difficulty that the Central Government could restrain an anti-Japanese movement, both among the military and among the population in general. The old fighter, Chang Hsun, whose troops are stationed in southern Shantung telegraphed the Government his readiness to oppose the Japanese. He was, however, promptly called to Peking for a conference and impressed with the supreme need of preserving the peace.

The reports which came from Japan of discussions there on the political future of China, had a further disquieting effect. Count Okuma's declaration that a large increase in the military forces of Japan was necessary in order to preserve the peace of the Far East was interpreted as meaning that Japan was ready to take advantage of the present opportunity for making good her actual domination throughout eastern Asia. The Chinese felt that any alliance or cooperation with Japan would inevitably take the form of the total subjection of China to the political dominance of her neighbor. They ex-

extremely

tremely distrust all professions of friendship and all declarations of policy on the part of Japan. Whenever I have tried to argue that a frank understanding between China and Japan was desirable, I have been told that China could not trust Japan; that Japan must not be judged by her professions and declarations, but in the light of her past acts, all of which indicate a determined policy of political advance, veiled by reassuring declarations. The Chinese cite especially the formal guarantees of the independence of Korea, the engagement that no impediment was to be placed in the way of the development of Manchuria by China, and declarations in favor of the "Open Door" policy.

Being in this mood, the Chinese fear Japanese intrigue at every point. They believe that revolutionary activities are, as they have been in the past, receiving encouragement from Japan; they believe that such support is given by the Japanese not out of preference for the republican form of government, but from a desire to weaken China at every point. The Chinese know that no matter how friendly the declared policy of the Japanese Government may be, individual Japanese in constantly increasing numbers are always ready to take advantage of, and to exaggerate, any weakness which may exist in Chinese social and political life; that they fasten like leeches upon any sore spot: the tendency toward rebellion and brigandage, the counterfeiting of bank-notes, the corruption of officials, the undermining of the credit of important private and public enterprises, the furnishing of more

dangerous

dangerous opiates when opium is forbidden. In connection with such mischiefs, individual Japanese have been active, to the great damage of the Chinese, who are inclined to charge this up, justly or unjustly, to the Japanese nation as a whole.

To sum up, the Chinese think that they have every reason to believe that at the present time, in order that advantage may be taken of the unusual opportunity created through the European War, - an opportunity which may never occur again, - the Japanese are trying, with or without the formal participation of their Government, to create a situation in China which, through unrest, insecurity, and general demoralization, will seem to justify intervention on the part of Japan. If such a situation cannot be brought about, the Chinese suspect the Japanese of endeavoring to disseminate reports unfavorable to China to the effect that revolution is rife, that there is danger of an anti-foreign movement, and in general that the situation in China is unstable and threatening.

I have reported thus fully on the mental attitude of the Chinese towards their neighbors because it indicates the great difficulty which stands in the way of a frank understanding between these two countries. How far Chinese fears and hatreds are well founded I do not, of course, presume to judge, although it must be confessed that both the methods of individual Japanese and the policy of the Government with relation to Chinese affairs are by no means reassuring; and it would seem that if Japan intends to confine her policy of leadership in the

Far East

Far East to such advantages as her superior economic organization and her racial and geographical nearness to the peoples of the Continent give her, she has not chosen the right means to conciliate the good will of her most important neighbor. Should she, however, have decided to found her leadership on military force in the last resort, no matter to what extent veiled by declarations and professions, she might indeed, under the unusual circumstances which at present prevail here, succeed in getting the upper hand and establishing her dominion, but this would be a fruitless victory unless the hatred and distrust that the Chinese now feel could be overcome. Though they are fatalistic and ready to accept the inevitable, their sole purpose would, in such an event, still remain to thwart every policy of Japan by passive resistance.

The British in China have looked upon the new adventure of Japan with a great lack of enthusiasm; though they of course welcome the losses inflicted upon their enemy in war, they are evidently apprehensive of the results which may flow from the occupation of Shantung by Japan. The British Legation itself was not informed of the impending move at Tsingtau until the ultimatum had been issued. Should Japan actually decide to turn Shantung into a Japanese sphere of influence, it would seem inevitable to me that serious conflict would sooner or later arise between British and Japanese interests in China. As such a step on the part of Japan would be interpreted as tending to

the division of

the division of China, it would further strengthen the sphere of influence policy on the part of Great Britain, France and Russia; but as Japan, which now maintains a garrison at Hankow and which is already developing important interests in the Yangtze Valley, would feel the establishment of a British control in the Yangtze Valley as unfavorable to herself, friction is unavoidable unless Japan should limit her action in Shantung to economic enterprise on a basis of equality with other nations.

While the present relations between Japan and Russia are most friendly, it is plain that the Russians, too, are fully aware of the dangers imported into the Chinese situation through the action in Shantung. Taken together with recent Japanese advances in Inner Mongolia, a situation may be created in Northern China which would probably be regarded as dangerous by the Russians. When recently discussing the reports of unrest in China, the Russian Minister said to me in significant terms that "the situation itself does not impress me as serious; the only thing about it that is serious is that the Japanese say it is serious."

As to Japan herself, there is a distinction between the action so far taken in China and the conclusions drawn from the supposed probabilities of the situation and from discussions in Japan of general policies with respect to China. A great deal of the suspicion of Japanese policy is undoubtedly due to the fact that a situation is known to exist in China which would make it easier than ever before for Japan to follow out a policy of political advance:

advance: so it is presumed that Japan will desire to take advantage of this opportunity to the fullest extent.

It is, however, evident that the Japanese are at present put before the decision as to what their continental policy is to be in general purpose and in detail. The unusual opportunity which has presented itself in the train of the European War, the elimination of Germany for the time being as a factor in the Far East, the fact that the other great European powers are the allies of Japan and are entirely preoccupied with the war in Europe, would seem to give to Japan an opportunity for exercising an influence in China the like of which could not have been hoped for even by the greatest optimists. Whether this opportunity is now to be exploited in order to extend political predominance over a part or all of China, or whether the advantageous situation is to be utilized merely to create a favorable basis for Japanese economic enterprise on the mainland: that is a decision which now has to be made. There can be no doubt that Japan has ambitions to play the part of leadership on the Continent; the only question is what character will that leadership assume. From the public discussion which is going on in Japan, both on the part of responsible statesmen such as Count Okuma and on the part of the press, it is plain that the Japanese nation is fully aware of the extent of the opportunity and of the momentousness of the decision.

With respect to the question as to the exercise of political predominance in Shantung, though it might be even more veiled than is the case in Manchuria, a dilemma is immediately

is immediately encountered: for should Japan, though returning Tsingtau, do it under conditions which would fasten her hold upon the Province of Shantung, the creation of such a Japanese sphere would by force of reaction increase the desire of the British, the French and the Russians to strengthen their hold respectively on other parts of China. This result must be unwelcome to Japan, for the movement, if successful, would make impossible the hegemony of Japan on the Continent, while its success could only be prevented at the risk of grave conflicts, distracting the peace of the Far East. A more favorable situation would be created for Japan if, during the course of the European War, a status quo could be brought about in which the definite prëeminence of Japan would be recognised in Chinese affairs. This might have been the result if China had allowed herself to rush into a war with Japan. It might also come about through revolutionary movements in China leading to general insecurity, when Japan, being near at hand, would readily undertake the duty of restoring order and policing the country. Could the Chinese Government be induced to make a treaty of alliance with Japan under which the territorial integrity of China would be guaranteed and which would contain the arrangement that Japanese advisers should assist China in reorganizing her administration and that no political or financial concessions were to be granted to foreign nations, the goal of establishing the political predominance of Japan would have been reached. On account of the feeling which exists among the Chinese at present it would, however, seem impossible that such

an agreement

an agreement could be made; only should there come about disturbances which would subvert the Government and place in its stead a group of men subject to Japanese control, could an alliance of this kind be brought about.

While undoubtedly the military party in Japan is pressing for a decisive political advance in China, other parts of Japanese public opinion seem to consider it altogether the better and safer policy if the position of demonstrated strength and the opportunity now enjoyed by Japan were to be utilized to impress the Chinese with a sense of the justice and true helpfulness of their neighbor and to amplify industrial and economic enterprises in China. Japanese imports into China having been doubled during the last two years, it seems clear that if the genuine good will of the Chinese could be secured, an enormous expansion of Japanese commerce in China would follow. Such leadership in commerce and industry, it is believed, would only be endangered by military exploits and political intrigues which would embitter the Chinese and antagonize foreign nations.

As to the specific question of the return of Tsingtau to China, a policy which is strongly favored in Japan is to hold the fortress until China shall have demonstrated her ability to hold and defend the same with her own resources. In China it is generally believed, however, that the Japanese Government will live up to its declaration to return Tsingtau, though the Chinese officials fear that such conditions may be attached to the return as would make it too expensive for China.

The position

The position of American influence and enterprise in China, as that of the other leading nations, will be deeply affected by the policy of Japan. As the American attitude of good will towards China has in the past been understood by the Chinese to imply a readiness to give them a certain amount of support in times of need, large hopes were entertained as to what the United States - rich and powerful beyond measure, in the minds of the Chinese - would do to help China to maintain her integrity, independence and sovereignty. Other nations, not a little jealous of the good will which the Chinese have so generously given us in the past, were not slow to point out to them that American friendship was a bubble, which vanished before any concrete facts, such as the violation of China's neutrality. But the Chinese, after all, did not fail to realize that it did not lie within the proper sphere of political action for the United States to come to the rescue with political and military support. As, however, in the past the Chinese have encouraged the development of American activities in China, looking upon them as a safeguard to their own national life, since they are conducted in a fair spirit and without political afterthought, China now hopes and expects as a minimum that Americans will stand by their guns and will not allow themselves to be excluded by political intrigue or by force from their share in the development and activities of China. The character of the present situation of America in China was thus expressed in an American paper published here:

"At present, the material interests of

America

> America in China are not large, nor very important in comparison with the total activities of the American nation, and the total of foreign trade and investments in China. The future prospects are - here even imagination halts. In principle, America is entitled to a fair chance to participate in whatever the future development of China may hold for foreign commerce and finance. In looking forward to that chance, America does not seek to displace other foreign interests and trade already established. She does want to have the door held open for her to enter when she is ready, and can, on equal terms of competition."

From every point of view the policy of steadfastly holding and protecting our own and maintaining our right to share in the future development of this country, which will be of every growing importance to our people, would seem to be worthy of the strongest support. Experience in Manchuria has shown that even under an outward observance of the general principles of the "Open Door" a great many serious disadvantages are incurred by our commerce where a position of special preference is assumed by one nation in matters of railways and public concessions. Should Japan, as a result of her present action in Shantung, ultimately take over the railway and mining enterprises, now owned and managed by German companies, it is most desirable that the Japanese Government should be prevailed upon to give specific assurances respecting the equal treatment, with her own citizens, of merchants of other nations. It is believed that Great Britain, though in the past somewhat remiss with respect to Manchuria, would also be desirous of receiving more effective assurances should other parts of China be affected. As the position of Germany in Shantung was acquired in 1898, before the policy of the "Open Door" had been clearly

formulated

formulated and sanctioned by the concurrent declarations of the great powers, in which the German Government participated, it would seem that any privileges derogatory to the principles of the "Open Door" could not now be claimed by Germany or her successors. Aside from the general principles of the "Open Door", the right of Americans to make contracts with governments, both central and provincial, without having their action blocked or represented as unfriendly to a third power should be fully maintained. This is of the utmost importance as a multitude of enterprises which are elsewhere in private hands are in China conducted by the Government. The direct and immediate protection of American interests through our own troops and marines is also one of the treaty rights, the maintenance of which for the safeguarding of the position of our people in China is essential.

There is nothing in all this which would be incompatible with a policy of the frankest understanding with Japan. The Japanese are prone to believe that American action in China has an eye on them; that it is the purpose of American diplomacy in China to block the plans of Japan. As a matter of fact, each American enterprise in China is treated on its own merits as to its usefulness and prospects here without any attention to any possible effect it might have upon Japan. During my first interview with the present Japanese Minister, Mr. Hioki, he stated plainly that as the United States was preventing the settlement of Japanese in America, we could not in

fairness

fairness object if Japan tried to develop her activities and influence on the Continent of Asia. However, while American good will goes out in the fullest measure to any legitimate development of Japanese strength and prosperity, the American nation also has duties towards China and towards its own citizens, and only as the recognized rights of these are respected and safeguarded may Japanese activities in the Far East expect American approval.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

As stated.

800.

A true copy of the signed original.

Tsingtau customs
Management of—
Japanese troops in
Manchuria.
Japanese. American
Peking. relations

No. 478.

December 22, 1914.

CONFIDENTIAL

The Honorable.

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to report on developments in the Sino-Japanese situation since my confidential despatch (No. 460) of November 28th, and to submit some considerations in connection therewith.

A controversy of serious import has arisen with respect to the management of the Tsingtau customs. Under the arrangements with Germany, the customs remained an integral part of the Chinese Maritime Customs Service, although it was agreed that a German was to hold the position of Commissioner of Customs and that the foreign administrative personnel was to be composed of the same nationality. All these officials were, however, appointed

pointed by, and subject to the control of, the Inspector-General of Customs at Peking. When the question of the control of the customs arose, after the fall of Tsingtau due to the combined attack of Japanese and British troops, the Chinese Government first suggested that there should be appointed at Tsingtau a British Commissioner of Customs and that the staff should be half British and half Japanese: this was refused by Japan. The Chinese next suggested the appointment of a Japanese Commissioner with a staff half British and half Japanese: this also was refused. The Chinese Government next designated the Acting Commissioner of Customs at Dairen (a Japanese) to be Commissioner of Customs at Tsingtau, with the understanding that the rest of the personnel would be Japanese and British. The Japanese Government declined to recognise this appointment. The Chinese indicated their willingness to have the entire staff Japanese, but the Japanese Government still refused. The latter is now demanding that the Commissioner and staff of the Tsingtau customs shall not be selected by the Chinese Government and the Inspector-General, but will be supplied directly from Japan, to the number of forty-nine officials.

This demand, if successful, would place in the Chinese Customs Service a group of men not chosen by the Chinese Government: men who would most likely feel that their sole allegiance was to the authority that had selected them. If this demand is enforced by the Japanese it will constitute a precedent threatening the demoralization and disruption of the Maritime Customs Service.

Consequently,

Consequently, all treaty powers are affected. I am informed from reliable sources that the British Legation has already indicated to the Japanese Minister that in this matter his Government is getting into a brambly path. Mr. Aglen, the Inspector-General of Customs, is deeply concerned over this move, which would deprive his organisation of unity and cohesion.

Incidentally, also, the manner in which the Japanese customs officials in Manchuria, although under the authority of the Chinese Government, have managed to extend advantages to their own nationals may be taken as an indication of what would be done were the service organised as it is now proposed to do at Tsingtau. It has been confidentially reported to me that Japanese officials here are already discussing the possibility, in consequence of the increased volume of Japanese trade with China, of being able, in the not distant future, to displace the British Inspector-General of Customs through a Japanese subject. The Japanese are in their action in Shantung following Manchurian precedents, as indicated by many details, among them the use of Japanese military currency along the entire Shantung railway and at interior points held by the Japanese.

A matter which has aroused comment among the foreign community here as being a surprising procedure under the circumstances, is the redistribution of Japanese troops in North China. From Mukden it is reported by the Consul-General that preparations are being made for the stationing of six regiments of Japanese troops in that city. The withdrawal of troops from Peking and Tientsin,

tsin, leaving the Japanese forces in Chihli Province, - which at the beginning of the year numbered 1772 officers and men, - reduced to 550, is a fact worthy of note, as at the present time foreign troops in Chihli would appear to be in need of reinforcement rather than reduction. No explanation of this redistribution of forces has been given.

The unfriendly or suspicious attitude of Japanese individuals and officials with respect to American enterprise in China continues. The Japanese are prone to draw the inference that American business activity in China is conducted with a view to embarrassing Japanese plans and combatting Japanese influence. An official of the Peking-Mukden Railway recently stated to a member of the Legation that a Chinese mining enterprise near Chinchou, in southern Manchuria, encountered a great deal of covert opposition on the part of the Japanese; finally rather truculent inquiries were made as to what American capital was invested in these mines. There being none, the obstruction ceased. This attitude is also apparent from the unauthorized reports constantly sent to Japan and there published that large American loans are to be advanced to China: thus, for instance, the SEOUL PRESS reported a few days ago that Dr. Hirai, Japanese Adviser to the Chinese Government, had stated in an interview that efforts were being made to negotiate a loan of $200,000,000. by America to China. Through these persistent reports and through the spirit in which they are made and received the feeling is generated that any American industrial or financial activity in China is a

thing

thing unfavorable to Japan. An unjust and dangerous jealously results, making what Americans do of their perfect right and in independent pursuit of their interests and of good relations with China, appear constantly as being inspired by political afterthoughts against Japan.

The persistent campaign of hostility against America in the Japanese press may be to some extent accounted for because the United States is the only bugaboo which the militarist party in Japan can at the present time use to stir up militant sentiments for the purpose of gaining larger appropriations for warlike purposes. We are familiar with these devices in other countries and nearer at home. But the situation is somewhat different in that the Japanese people are unusually interested in foreign affairs and take them rather more seriously than other nations do; so that these press campaigns, by constant irritation of the public mind, leave behind them a dangerous deposit in the popular consciousness.

The recent declarations of Count Okuma and Baron Kato have not been reassuring either to Americans or to the Chinese. Indeed, these men find themselves in a difficult position: the easy success at Tsingtau and the remarkable gains which seem to be in the grasp of Japan make a policy of moderation and restraint unpopular at the present time. But Baron Kato's categorical denial that any pledges whatever have been given with respect to the return of Tsingtau or with respect to the Marshall Islands suggests the fear that in the last resort the Japanese Government may rely on the quibble that

that Tsingtau was to be returned to China only in the event of being peacefully and immediately delivered up by Germany. While there may be valid reasons for postponing the ultimate disposal of the German possessions now held by Japan, till the end of the war, the attitude and action of the Japanese Government seems to suggest rather that the interval is to be utilized to create a fait accompli, which will secure an enormous extension of power to Japan.

It is needless to say that this prospect is not entirely cherished by the temporary allies of Japan. The situation is that Japan has taken advantage of a conflict, which is primarily European and into the rigor of which Japan does not enter, for the purpose of gathering up the possessions of Germany in the Far East and the Pacific which could only be weakly defended. As these conquests of Japan would have been impossible under ordinary conditions and as they are due not to the power of Japan, but to the exertions of Great Britain, Russia and France in Europe, it is not considered just that Japan should thus easily gather the fruits of other peoples' sacrifices. On the contrary, it seems that the occupation of the position vacated by Germany in the Far East and the Pacific is a matter for all the powers to decide. While these things are, of course, not officially said, it is perfectly plain that especially the British in the Far East realize this aspect of the situation quite keenly. The results of this intelligence can not be looked for in any immediate action on the part of Great Britain, which must maintain the good relations now ex-

existing

isting with Japan, but the results will inevitably come after the war has closed, when, however, the position of Great Britain in the Far East may have been changed irrevocably to her disadvantage. With great diplomatic shrewdness the Japanese Government is utilising the Anglo-Japanese Alliance at the present time. British papers are prevailed upon to suppress news and comments unfavorable to the ally. The burden of official pronouncements in Japan is Anglo-Japanese friendship. At the same time every detail of Japanese policy in the Far East is diametrically opposed to British interests.

These matters affect the United States in that, while we have no such important interests in China as has Great Britain, nevertheless the traditions of American policy, the efforts and sacrifices of two generations of Americans at work in China, the trusteeship of intimate confidence which the Chinese place in American and, above all, the need which our country will have in the future of continued free access to China and of mutual friendship with its people - all these considerations make the future disposal of Shantung a matter far from indifferent to Americans.

The expressions of Count Okuma contained in the interview reported from Tokyo on December 11th, and therefore known to the Department, also had a disquieting effect here. The thinly veiled threats against the United States which it contains are not considered a good sign. The Japanese official interpretation of current events amounts in effect to the theory that Japan, having loyally and valorously come to the assist-

assistance

nce of her ally - Great Britain - and having taken part in the great European struggle, can now no longer tolerate any question as to her absolute equality in all and every respect with the greatest nations of the world; and that the anti-Japanese sentiment in the United States is a blind prejudice of quality similar to the militarism of the German Emperor which must be "attacked without mercy". No matter how metaphorically the Premier of Japan understood these expressions, there can be no question as to the interpretation lent to them by the public. The Japanese are also inclined to draw the inference that as the friendship between Japan and Great Britain has now been sealed by the solemn baptism of alliance in war, Japan would have nothing to fear from the side of Great Britain were she forced to vindicate what she considers her rights against the United States. Thus the Japanese interference in the war, which they entered against the desire of the British Government, is made the basis not only of acquiring a position very unfavorable to British interests in the Far East, but of persuading the Japanese public that the Anglo-Japanese friendship is unalterable. This latter is a dangerous hallucination, as it is apt to encourage the Japanese public to favor unwarranted enterprises.

The attitude to be taken by the United States toward the continental Asiatic policy of Japan at the present time is a matter of great moment. Thus far it does not appear that the United States has received any credit on the part of Japan for the forbearance and good will shown towards the development of Japanese interests on the

Asiatic

Asiatic mainland during the past years. On the contrary, as pointed out, the Japanese are rather apt to look upon the American position in China as being intentionally oppositional to their own plans.

If the United States should really enter upon a policy of trying to block the development of Japan, and should utilize the hostility of China and the latent but serious fears of Great Britain, Russia, and more especially of Canada and Australia, the results might indeed be very damaging to Japan. Now that America is following a simple, direct, open and straightforward policy and is entirely abstaining from using her influence and power for the weakening of Japan, the feeling is nevertheless still held alive in Japan that the sole afterthought of American enterprise in China is to embarrass Japan. Of all this the Japanese mind should disabuse itself and recognize that Americans are in China for their own purposes and of their own right, and that they expect to remain there and develop their interests, but that their presence is in no sense unfavorable to Japan.

No matter how generous the good will of America towards Japanese efforts in economic and industrial development and progress may be, the indications are that American rights and just opportunities in China will receive further limitation unless the situation is closely watched and every lawful interest is consistently asserted and defended. It is also necessary that Americans should realize the unusual opportunities which now exist and which, unless utilized, will pass away forever; and that there should be established a strong, active American participation

participation in China's economic life, constituting a concrete interest in the affairs of China, such as can not readily be ignored or brushed aside by competitors desirous of preoccupying the field through political action. It is also not improbable that the United States Government would be able to obtain concerted action on the part of several nations to the end that a solid front may be presented against the Manchurianization of Shantung and for the purpose of enforcing the treaty engagements concerning equal opportunities of trade, even in those small details, which seem negligible, but which make and mar such opportunities.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

800.

A true copy of the signed original.

Withdrawal of Russian troops

File

AMERICAN CONSULAR SERVICE

Sub. .....
Recd. 25 MAR 1914
Ack. 25 MAR 1914
Ans. .....
Ref. .....
Ans. .....

No. 259. Tientsin, China, March 23, 1914.

SUBJECT : Withdrawal of Russian Troops from Tientsin.

820

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sir :

I have the honor to enclose a copy of a despatch which goes tomorrow to the Department of State regarding the withdrawal of the Russian Troops from Tientsin.

I have the honor to be, Sir,
Your obedient servant,

Samuel D. Knabenshue,
American Consul General.

One enclosure.

820.

No. 207.

AMERICAN CONSULATE GENERAL,

Tientsin, China, March 23, 1914.

SUBJECT: Withdrawal of Russian Troops from Tientsin.

THE HONORABLE

THE SECRETARY OF STATE,

W A S H I N G T O N .

Sir :

In pursuance of the policy of the Russian Government, between 700 and 800 Russian troops, hitherto stationed at Tientsin, were withdrawn on March 20. The men chiefly belonged to the 18th Siberian Rifles, but there was also a detachment of Cossacks. These troops have been in Tientsin for about a year. They are being returned to Werhneudinsk, the Siberian post from whence they were originally sent to Tientsin.

The scene at the railway station was an extremely animated one as the American, the British, the French, the German, the Japanese, and the Chinese sent military detachments in full dress to speed the parting guests. All of the military commanders in Tientsin were present also to bid farewell to Colonel Zarembsky. The Russian Consul General, Mr. Ch. P. Kristy, had the men ranked before him just prior to their entering the trains, and made a speech in Russian, thanking them for their excellent services during the time of service in North China. Mr. Kristy also read a telegram from the Russian Minister

in Peking.

in Peking, also extending thanks and wishing the men a pleasant journey. Colonel Zarembsky made a brief speech in reply, voicing the thanks of the troops to the Minister and to Mr. Kristy, which closed with tremendous cheering on the part of the men for these two officials and for the Russian Community of Tientsin.

The only Russian soldiery left in Tientsin is a guard of ten Cossacks for the Consulate.

I have the honor to be, Sir,

Your obedient servant,

SAMUEL S. KNABENSHUE

American Consul General.

A true copy of the signed original. S. S. K.

820.

Leg. No. 18.

Japanese Military Forces in Manchuria

AMERICAN CONSULATE GENERAL,
MUKDEN, CHINA.

Sub. .....
Recd. 28 NOV 1914
November 25, 1914.
Ans. .....
Ref. .....
Enc. .....

SUBJECT: Japanese Military Forces in Manchuria.

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sir:

In reply to the Legation's telegraphic instruction of the 23rd instant, I have the honor to report that the Japanese garrisons in South Manchuria have not been increased. However, the Japanese Consul General here a few days since approached the Civil Governor requesting permission to quarter in Mukden for six months six regiments of Japanese troops which were to be brought from Tsingtau. Moreover the Japanese barracks here being inadequate to accomodate this considerable body of troops, the Consul General further requested the Civil Governor to compel certain of the inhabitants in the four suburbs of the city to provide accomodation for these troops upon payment of rent. The Civil Governor replied that the matter was too important to be dealt with by him and would have to be referred to Peking. Accordingly, the Civil Governor sent a special representative to confer with the Central Government on the question, with the result that the Civil Governor is now instructed not to comply with the Japanese request.

It is reported that the Military Governor General has

Leg. No. 18.

Japanese Military Forces in Manchuria

AMERICAN CONSULATE GENERAL,
MUKDEN, CHINA.

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Recd. 28 NOV 1914
November 25, 1914.
Ans. .....
Ref. .....
Enc. .....

SUBJECT: Japanese Military Forces in Manchuria.

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

8120

Sir:

In reply to the Legation's telegraphic instruction of the 23rd instant, I have the honor to report that the Japanese garrisons in South Manchuria have not been increased. However, the Japanese Consul General here a few days since approached the Civil Governor requesting permission to quarter in Mukden for six months six regiments of Japanese troops which were to be brought from Tsingtau. Moreover the Japanese barracks here being inadequate to accomodate this considerable body of troops, the Consul General further requested the Civil Governor to compel certain of the inhabitants in the four suburbs of the city to provide accomodation for these troops upon payment of rent. The Civil Governor replied that the matter was too important to be dealt with by him and would have to be referred to Peking. Accordingly, the Civil Governor sent a special representative to confer with the Central Government on the question, with the result that the Civil Governor is now instructed not to comply with the Japanese request.

It is reported that the Military Governor General has

has asked the Central Government to increase the military force of this province by the transfer of 20 ying of I Chun (毅 軍), to be stationed at Chinchou (錦 州), Kuang Ning (廣 寧), Ning Yuan Chou (寧遠州), and I Chou (義 州); also for an additional supply of ammunition. This request for troops and ammunition is avowedly to resist any high handed action that might later be taken by the Japanese to gain their purpose. The Chinese will, of course, be compelled to yield eventually in this matter if for no other reason than to avoid subsequent and more drastic demands on the part of the Japanese in this and other pressing questions. I do not however anticipate any drastic action here on the part of Japan, such as the actual and complete assumption of sovereignty, in the immediate future.

General Chang Tso-lin of the 27th Division received 700 horses from his purchasing agent at Liao Yuan (遼 源) on the 22nd instant for use of the cavalry regiments attached to his division.

A few days ago 20 seige guns loaned by the Japanese to the Russians for use in the European war passed through Mukden en route from Port Arthur to Harbin.

While no Japanese troops have as yet, since the fall of Tsingtau, arrived in Manchuria, it is known that during the period of its investment 300 troops arrived and were stationed at Taonanfu, Eastern Mongolia, ostensibly to protect Japanese travelers who already are selecting desirable tracts of land inside and outside of the town with a view to permanent residence thereon later. Japanese officials are already on the ground surveying and mapping out the whole region.

I

I have the honor to be Sir,

Your obedient servant,

R. C. Kirkpatrick

Consul General.

820.

H/Fa.

841

Munitions of war

AMERICAN CONSULAR SERVICE.

Sub. 37
Read ..... JUN 1914
Ack. 8
Ans. .....
Ref. .....
A.S. .....

Tsingtau, China, June 3, 1914.

Subject: Munitions of War.

824

Honorable Paul S. Reinsch,
American Minister,
Peking.

Sir:

I have the honor to acknowledge receipt of the Legation's despatch of May 28th, enclosing a copy of a communication received from the American Consul General at Tientsin, pertaining to a cargo of munitions of war shipped on board the S. S. "Rickmers".

In reply, I have the honor to report that the information contained in my telegram of May 20, 8.00 p.m., was received from a reliable source, the statements contained therein being made by the manager of Diederichsen & Co. at a dinner party. It is the opinion of this office that the goods were sent and delivered to their original destination, but that, at one time, a transshipment of cargo was contemplated at Tsingtau. Whether by "parts unknown" was meant Mexico, Central America or the West Indies, it is impossible to say. In as much as this matter is one of great interest to the Department at the present

present time, this consulate thought it advisable to report to the Legation in order that the shipment might be investigated. The Legation is doubtless aware that the last word of my telegram of May 20, 8.00 p.m. was wrongly transmitted.

I have the honor to be, Sir,

Your obedient servant,

Horace Pernillard

Vice Consul in Charge.

824.

No. 363.

Purchase of military supplies by Japanese in Manchuria.

Sub. .....
Recd. 19 SEP 1914
Ack. .....
Ref. .....
Ans. .....

AMERICAN CONSULATE GENERAL,

Mukden, China, September 17th, 1914.

Subject: Purchase in Manchuria of supplies by Japanese Military Authorities.

J. V. A. MacMurray, Esquire,
Charge d'affaires, American Legation,
Peking.

824

Sir:

I have the honor to report that information has reached me from a reliable source that the Japanese military authorities are preparing to purchase immense quantities of Kao-liang, millet and black felt in South Manchuria.

The quantities required are, 10,000,000 catties kao-liang, 8,000,000 catties millet, and 3,500,000 pieces of black felt 2-1/2 ft. x 8 ft. I am unable to state whether the catties referred to are the Manchurian standard of four pounds or the South China standard of One and one-third pounds, but as it is stated that six months' supplies for 30,000 horses are required, it would seem to be the Manchurian catty. The Japanese have intimated that these supplies are for use at Tsing-tao. but the unusually large order for felt would seem to raise the suspicion that they are intended for a colder climate.

The Japanese have evidently realized the difficulties that would arise if they endeavored to purchase these supplies in the open markets, and are placing the matter in the hands of Chinese agents, who are to quietly purchase as much as they can and deliver their purchases at warehouses in the Japanese settlements along the South Manchuria Railway.

These

These amounts, if the Manchurian catty is intended, appear to be about twice the annual average exportation of these cereals during the past three years, but the crops now being harvested are reported to be excellent and to be about twenty per cent. over normal in yield; moreover, there is a considerable increase in acreage this year.

If the Chinese authorities realize the serious consequences that these immense purchases will lead to, they will probably endeavor to prohibit the deliveries into the Japanese settlements. These cereals are the staple foodstuffs for the Chinese population and for their domestic animals. and if such enormous amounts are drawn from these provinces, there will probably be much suffering among the Chinese for the want of these staples during the coming winter, and consequently unusual activity of brigands.

I have the honor to be, Sir,

Your obedient servant,

Fred D Fisher

Consul General.

824

Copy to Department of State.

Equipment for Hanyang Arsenal.

Sub. .....
Recd. January 26th.
Ack. 26 JAN 1914
Ans. .....
Ref. .... 31 JAN 1914
Ans. .....

L. No. 511.

AMERICAN CONSULATE GENERAL,

Hankow, China, January 22, 1914.

Subject: Equipment for Hanyang Arsenal.

Paul S. Reinsch, Esquire,
American Envoy Extraordinary
and Minister Plenipotentiary,
Peking.

Sir:-

I have the honor to inform you that Mr. D. C. Alexander, Jr., formerly a Commercial Agent of the Department of Commerce and Labor designated to report on the foreign markets for American machine tools, and now representing the Pratt and Whitney Company and the Niles-Bement Bond Company, is now in Hankow, endeavoring to secure a contract from the Chinese Government for the supply of a complete equipment of arsenal machinery to produce one hundred rifles per day. This opening for American machinery was brought to my attention in the spring of 1913, by the Director General of the Hanyang Arsenal, Major General Liu Tsching-En, for whose works the equipment is desired. I reported the matter to the Department of State, which in turn informed American manufacturers by means of a confidential circular. It appears, however, that the Pratt and Whitney Company is the only one which cares to undertake

take the complete equipment of such an arsenal, and it is the only one which has manifested any continued interest in the proposition.

Shortly before Mr. Alexander's arrival I received an instruction from the Department of State directing me to give him all proper assistance. I 1/ enclose a copy of this despatch. Upon Mr. Alexander's arrival I arranged for him to meet the Director General of the Arsenal, and I have done what I could to be of assistance to him.

About a week ago Mr. Alexander had an interview with the Minister of War, General Tuan Chi-jui, at Wuchang, through the introduction of the Director General of the Arsenal, at which time he showed photographs and catalogues of his equipment. He also presented to the Minister his tender for the supply of 2/ the equipment. I enclose herewith a copy of his proposal, which I would request be regarded as confidential.

You will observe that this tender of the Pratt and Whitney Company comes to over $1,000,000 gold. German firms are understood to be tendering equipment for slightly less than half that price, but it is believed that they are not prepared to give a guarantee, like the Pratt and Whitney Company, that their machinery can produce a complete rifle, bayonet and scabbard in twenty three hours. The German machinery now used at Hanyang requires about ninety hours to do this work. I understand that the Pratt and Whitney

ney Company has recently supplied complete equipment for an Australian arsenal and one for the Vickers Maxim works to turn out the new British army rifle, in competition with the whole world, and in spite of the fact that its machinery is expensive, as far as capital outlay is concerned, though its efficiency makes possible the production of rifles at a low cost.

If this contract can be secured, American machine tools will secure a good foothold in the Chinese market, and I am therefore extremely anxious to see Mr. Alexander succeed. The Director General of the Arsenal has told me that he considers the American machinery the best and wishes to buy it, but he is anxious to have the price reduced as it is embarrassing to him to be obliged to recommend such expensive machinery when the Germans are offering equipment at much lower prices.

Mr. Alexander is now desirous of information on two points:-

1. Whether the Minister of War, General Tuan Chi-jui, is the best person to negotiate with in this matter, in spite of the fact that he is at present detailed as Governor-General of Hupei, or whether it would be advantageous to take up the matter with the Acting Minister of War at Peking, by a personal visit to Peking or otherwise; and

2. Whether there is any probability that the Minister of War will have at his disposal sufficient funds to enable him to place the proposed contract,

and

and to make the necessary payments as outlined in Mr. Alexander's proposal.

I should be very greatly obliged if you would find it possible to inform me of your opinion on these points, at an early date. I enclose a copy of this despatch for use in case you wish to refer it to the Military Attaché.

I have the honor to be, Sir,

Your obedient servant,

Roger S. Greene

American Consul General.

Enclosures:-

1. Department of State to Mr. Greene, November 22, 1913.

2. Proposal of Mr. D. C. Alexander, Jr., representing the Pratt and Whitney Company.

In duplicate.

865.14

ENCLOSURE NO. 1 WITH DESPATCH NO. 511 OF JANUARY 22, 1914, FROM HANKOW, CHINA.

DEPARTMENT OF STATE,

WASHINGTON.

No. 81. November 22, 1913.

Roger S. Greene, Esquire,
American Consul General,
Hankow, China.

Sir:-

Referring to your telegrams to the Department dated September 23, 1913, and November 18, 1913, and to the Department's telegram to you dated November 15, 1913, in reference to the intention of the Director of Hankow Arsenal to place orders for machinery and to wait for American tenders for three months if representative is properly authorized to quote prices, you are informed that Mr. A. M. Alexander, representing Messrs. Pratt and Whitney, intends to sail from Vancouver on December 4, 1913, arriving in Shanghai on December 19, 1913. It is desired that you render to Mr. Alexander all proper assistance.

I am, Sir,

Your obedient servant,

For the Secretary of State:

(signed) Wilbur J. Carr.

166.455/2

Mr. Alexander's initials are wrongly given by the Department. They are "D. C. Alexander"

Confidential

PROPOSAL

FOR THE SUPPLY OF A COMPLETE EQUIPMENT FOR A SMALL ARMS FACTORY.

THE PRATT & WHITNEY COMPANY, of Hartford, Connecticut, United States of America (hereinafter called "THE COMPANY") offers to furnish to THE GOVERNMENT OF THE REPUBLIC OF CHINA (hereinafter called "THE GOVERNMENT") a complete machine plant and all equipment to manufacture, in each working-day of ten hours, one hundred (100) rifles of Mauser pattern, with bayonets and scabbards, exactly similar to a model-gun (or detailed drawings) submitted to THE COMPANY.

This proposal includes all of the equipment for such a plant, with the exception of the necessary buildings, power plant, electric motors, power transmission (such as shafting, hangers, belting, etc.), heating- and lighting systems, and shop-furniture (such as benches, chairs, racks, etc.) all of which must be furnished by THE GOVERNMENT, in accordance with the plans for the same which will be prepared by THE COMPANY, and submitted to THE GOVERNMENT for approval.

Article 2: Machines.

THE COMPANY will furnish every, and all, machines required to transform the raw materials (metal, wood, and leather) into complete and finished rifles, bayonets, and scabbards. The raw materials must of course be delivered to the machines in bars, sheets, and blocks of suitable material, quality, and size.

Article 3: Jigs & Fixtures.

THE COMPANY will furnish complete sets of jigs and fixtures for every operation on the component parts of the rifle, bayonet, and scabbard. These will be specially designed and made for holding the rifle parts while they are being machined; and, by their use, very rapid production, and extreme accuracy can be secured even with unskilled labor.

Article 4: Gauges.

THE COMPANY will furnish three complete sets of gauges (working-, inspection-, and reference-gauges) for gauging the component parts at each operation.

PRATT & WHITNEY TO THE CHINESE GOVERNMENT.

Article 5: Dies and Cutting Tools.

THE COMPANY will furnish a complete set of dies for every forging operation, together with the necessary trimming dies; and also a complete set of cutting tools, such as milling cutters, drills, reamers, counter-bores, and lathe tools; including the necessary cutting tools for the wood-working machines. In addition, any hand tools which may be required for any operation, will also be furnished.

Article 6: Tool Room Equipment.

THE COMPANY will furnish a complete Tool Room equipment, including die-sinking machines, engine lathes, tool-makers lathes, bench lathes, planers, shapers, drill presses, etc. with all attachments peculiar to PRATT & WHITNEY machines. Also, grinding machinery of all types, such as cylindrical-, surface-, and cutter-grinders for regular and irregular shapes; complete set of cylindrical gauges, taper gauges, snap gauges, thread gauges, taps, dies, die-stocks, complete set of drills and reamers, lathe-dogs, micrometers, precision measuring machinery, and all testing devices necessary for the accurate reproduction of tools and fixtures. The Tool Room will also include full equipment for repairs to machinery, or parts which may wear out or break. This equipment will be suitable for the making of any kind of cutter, tap, reamer, gauge, or fixture that may be in use in the plant, so that the plant will be absolutely self-sustaining; and it will also be suitable for experimental work -- such as the making of model guns, etc. etc.

Article 7: Design and Material.

All machines, tools, fixtures, gauges, and appliances supplied against this contract will be of the latest pattern, and of the same superior material and workmanship as the equipment which has recently been furnished by THE COMPANY to the most modern arsenals in America, Europe, Australia, and England. Furthermore, every part will be subject to inspection, if the GOVERNMENT desires, by Inspectors appointed by THE GOVERNMENT, who will have access to all parts of the COMPANY'S shops while the work of manufacturing the equipment is in progress.

PRATT & WHITNEY CO. TO THE CHINESE GOVERNMENT.

Article 8: Lay-Out.

THE COMPANY will furnish, with their equipment, a complete lay-out, or schedule, in printed form, of every operation on every component part of the rifle, bayonet, and scabbard. This lay-out, which is an important feature of "The Pratt & Whitney System of Rifle Manufacture", will show (1) the sequence of the work, (2) the machine, fixtures, tools, and gauges to be used, and (3) the proper time for each operation. This lay-out will be accompanied by outline drawings showing every operation on every part; which, with the lay-out, will make it easy for the foreman to instruct the workmen, and should prevent all mistakes.

Article 9: Interchangability.

By the proper and accurate use of the Pratt & Whitney machines, fixtures, tools, gauges, and system of manufacture, the parts produced will be exact and perfect duplicates, allowing the rifle to be assembled with great rapidity, and without filing or fitting. The parts will thus be inter-changable, which is a consideration of the greatest importance in time of war, or whenever rifles have to be repaired.

Article 10: Inspectors and Students.

THE GOVERNMENT shall send to THE COMPANY'S works, at Hartford, an Official Inspector, duly authorized to inspect and approve the equipment while it is being built, and to report the progress of the work to THE GOVERNMENT. THE COMPANY also desires THE GOVERNMENT to send to Hartford (entirely at the expense of THE GOVERNMENT) six or eight intellegent Chinese students, who will be fully instructed by THE COMPANY in the operation and use of all parts of the equipment.

Article 11: Engineers to be Sent to China.

When the equipment is completed, and has been shipped to China, THE COMPANY will send (entirely at its own expense) six American engineers and gun-makers, who will remain in China for not more than six months, to render such assistance as THE GOVERNMENT may desire in putting the plant into working order.

PRATT & WHITNEY CO. TO THE CHINESE GOVERNMENT.

Article 12: Secrecy.

THE GOVERNMENT shall officially inform THE COMPANY what parts (if any) of the work to be done by THE COMPANY are to be regarded as secret; and THE COMPANY, upon receipt of such official notice, will take every reasonable precaution to ensure the entire secrecy of its employees regarding such matters.

Article 13: Guarantee.

If all of the above conditions are complied with, and THE COMPANY is allowed to furnish the entire equipment, as previously specified, then THE COMPANY will guarantee not only that the equipment shall be complete and first-class in every particular, but also that it will have the capacity to produce rifles, with bayonets and scabbards, at the rate of one for each twenty-three (23) hours (or less) of workingmen's time. This includes only the time of workmen who are actually doing work upon the rifles, bayonets, and scabbards; and does not include the time of officers or foremen, or the laborers who are engaged in the power plant, or in carrying materials and similar work.

Article 14 Article 14: Official Trial.

In order to prove that the equipment furnished by them will fulfill the above production-guarantee, THE COMPANY will set up, at their works in Hartford, a sufficient number of the machines, fixtures, tools, etc. which have been built for THE GOVERNMENT, and will there conduct a test of each machine, under the supervision of the Inspector or Inspectors appointed by THE GOVERNMENT, which test shall positively demonstrate the capacity of the machines to produce the component parts of the rifle, bayonet and scabbard at the rate guaranteed. Although THE COMPANY'S guarantee covers only the above test at Hartford, we are convinced that we can clearly demonstrate to the officials of THE GOVERNMENT that equally rapid production can be attained in China, providing that the instructions of the engineers which THE COMPANY will send, and "The Pratt & Whitney System" and lay-out are exactly followed, and that all work is properly done to our gauges.

PRATT & WHITNEY CO. TO THE CHINESE GOVERNMENT.

Article 15: Specimen Rifles.

As a further test, not only of the rapidity, but also of the accuracy, of the output from their equipment, THE COMPANY -- using only the machines, etc. which are to be sent to China-- will machine, assemble, and finish, under the supervision of the Inspector appointed by THE GOVERNMENT, six complete rifles, with bayonets and scabbards, which shall conform exactly with the model-gun (or detailed drawings) sent by THE GOVERNMENT, and shall pass inspection and testing by the Ordnance Officers of THE GOVERNMENT.

Article 16: Company's Guarantee Bond.

In support of these guarantees, THE COMPANY will give to THE GOVERNMENT, or to the Chinese Minister at Washington, a penal bond, in the sum of United States Gold Dollars One Hundred Thousand (U.S. $100,000.) which shall be the security for the complete and faithful performance by THE COMPANY of all the items of their contract, as set forth in this Proposal.

Article 17: Delivery.

Complete delivery of the plant will be made by THE COMPANY within two years, unless prevented by strikes, accidents, or other causes beyond their control; but some portions of the equipment can be delivered about the end of the first year, if THE GOVERNMENT desires, and the remainder, at short intervals thereafter.

Article 18: Price.

THE COMPANY'S price for the complete equipment, as specified in this proposal, is United States Gold Dollars One Million-Eighty-two Thousand and Five Hundred (U.S. $1,082,500.00) F.O.B. steamer at New York City, all goods carefully boxed or crated for ocean shipment.

Article 19: Terms of Payment.

Payment by THE GOVERNMENT to be made as follows:-

Ten per cent (10%) of the total price to be paid when the Contract is finally ratified by the authorized representatives of THE GOVERNMENT and of THE COMPANY.

PRATT & WHITNEY CO. TO THE CHINESE GOVERNMENT.

An additional ten per cent (10%) of the total price to be paid ninety (90) days after the first payment; leaving a balance of eighty per cent (80%) payable as follows,-

At the close of each month (or each two, or three, months, as may be agreed) THE COMPANY will prepare a statement showing the progress of the work --expressed in per cent of the total work required to complete the Contract; and this statement shall be certified as correct by the designated Inspector of THE GOVERNMENT in Hartford. Within ten days, after each certified statement has been presented to the Chinese Minister at Washington, THE GOVERNMENT shall make payments to THE COMPANY in proportion to the work completed, until eighty per cent (80%) of the total price has been paid.

Of the remaining twenty per cent (20%), half shall be paid when the final shipping documents are delivered to the Chinese Minister at Washington; and the other half shall be paid two months after the arrival of the goods in China.

Article 20: Form of Contract.

If this Proposal be accepted by THE GOVERNMENT, a Contract shall be drawn up embodying the terms herein; and four copies of the Contract shall be prepared, two in English and two in Chinese, all of which shall be signed by the representatives of THE GOVERNMENT and of THE COMPANY. One copy in English, and one in Chinese shall be retained by each of the two parties to the Contract; but, owing to the difficulty of accurately translating English technical terms into Chinese, it shall be agreed that if the English and Chinese copies are found to differ in any respects, the English copies shall be deemed the correct and official copies.

THE PRATT & WHITNEY COMPANY

Per ----------

Accredited Representative in China.

Leg. No. 74.

AMERICAN CONSULATE GENERAL,

MUKDEN, CHINA.

July 2, 1915.

SUBJECT: Japanese-Chinese Relations with Special Reference to South Manchuria.

Sub. .....
Recd. 5 JUL 1915
Ack. .....
Ans. .....
Ref. .....
Enc. .....

J. V. A. MacMurray, Esquire
American Charge d'Affaires,
Peking, China.

711

Sir:

In further reference to the general subject of Japan's activities in South Manchuria, I beg to enclose translation of a letter written by a prominent and trustworthy Chinese official of Kirin Province, where he has been stationed for the past eight years, to a high official in the provincial government here, who in turn handed it to me. This letter expresses, though in a somewhat radical manner, very closely and much better than I could hope to do, the views of the best element in the Chinese communities in Manchuria on the demoralizing influences of certain institutions of Japan which flourish in this region. These views up to a certain point are shared by many foreign residents in Manchuria.

Though I have no means of verifying the statements contained in the enclosure, yet from personal observations during the past ten months, and from conversations with numerous missionaries, merchants, and travelers in the interior, I am disposed to accept his statements as substantially correct. Certainly there exists the pernicious traffic in morphine, which is smuggled into Manchuria in large quantities and whose use among the natives is increasing at an alarming rate; roving bands of outlaws are robbing and laying waste the countryside;

while Japanese brothels in large numbers are to be found in all the opened towns and many of the small unopened marts in the interior, and it seems but too probable that these forces of evil and degrading agencies operate in collusion with the police and other administrative officers of Japan in Manchuria.

In this connection it must however be stated, in fairness to Japan, that along with these factors which are designed to undermine Chinese character and morality, which are not open to the views of the casual visitor to Manchuria, there are many noble institutions making for the betterment of the natives in economic, educational, and other ways.

I have the honor to be, Sir,

Your obedient servant,

A. Ruiz Fuensanta

Consul General.

710.

Enclosure: As stated.

Actual Conditions Attending Japanese Residence in Kirin Province.

All are aware that the Japanese Government lately forced the Chinese Government to accept a set of demands which virtually mean the extinction of China as a nation. It is true that China's vast domain, South Manchuria, 2,000 li in length, still exists, but it exists in name only. In reality, so far as China is concerned, it is practically gone. Therefore, it is unnecessary for Japan to encroach upon our territory by the extension of land and rail lease and the transfers of railway management. The demand for mixed residence alone is more that enough for her to take all of our inhabitable land and leave us with no place to bury our dead. Even until such time as we shall be forced to become Japanese slaves we shall not have a peaceful day. Why should we make such a sweeping statement? A careful study of the conditions attending Japanese residence in Manchuria and the trades they are carrying on will cause any difficulty there may be in accounting for it to disappear.

Having resided in Kirin for eight years, through what I have seen and heard, I am able to give a detailed account of each case. Truly, my eyes shed tears of blood as I tell my fellow-countrymen about these matters.

Among the men of all nations, Japanese character may be reckoned as the most morally depraved; they are avaricious and dishonest to the lowest degree. Those in Manchuria especially may be described as regular parasites. They are employed by their government as spies and advance agents for the purpose of finding out how best to encroach upon our rights by force.

The Japanese population of South Manchuria, male and female, now amounts to over 90,000. Besides those residing in the Kwantung leased territory and the various railway concessions, there are over 10,000 residing throughout the provinces of Fengtien and Kirin, but the number residing in Kirin is comparatively small. Besides the 827 residing in the various open marts throughout Kirin province, there are 279 residing in different parts of the interior, contrary to treaty regulations. The above statistics were compiled in January, 1915.

A glance at the occupations of these people will convince one not only of the cruel way in which we are disturbed and oppressed by them, but will also serve to give a fair idea of their impure characters and the evil of their intentions. The description of the people residing in the interior applies equally to those living in the various concessions and open marts. I beg now to submit the following table showing the number of Japanese residents and their actual occupations in the interior of Kirin:-

29	Drug stores	(i.e. Morphia stores) 118 persons, exclusive of those who have no fixed abode, and are selling morphia in the streets.
12	Barber shops	43 barbers and employees.
1	Photographers	2 operators.
3	Dental shops	10 dentists and employees.
31	Brothels	102 prostitutes and others.

From the above, it will be seen that there are not more than five classes of trade carried on by these Japanese. There are over 100 unemployed Japanese, the exact number being unascertainable. I shall endeavor to give a separate account of each of the trades above indicated.

The Japanese drug stores are chiefly concerned in the sale of morphia. During recent years many Japanese were arrested by our police and, with uncontrovertible evidence of guilt, were handed over to the Japanese Consul to be dealt with. Each of these drug store-keepers has been caught as many as over ten times in one month by our police, but in every case their Consul wrongfully, though deliberately, protected them, and by so doing encouraged them still further in their nefarious trade.

Notwithstanding the fact that our government has issued strict orders prohibiting the people from smoking opium, the Japanese are spreading disease and injury among our people all over the country; even the beggers in the streets are supplied with this drug and an examination of their bodies always shows marks of morphia infection. This habit has spread to such an extent that in thickly inhabited towns one will find that the deaths during the spring months average over 100 per day, the dead bodies being piled in heaps like dead flies. All of these people died from morphia poisoning. When on the point of death, the stench from their painful boils is so bad that every passer-by has to cover his nose.

When starting this habit everyone thinks that he is taking opium, but after some considerable time he finds that he is infected with the poison, and has acquired a craving that even opium will not satisfy. Upon carefully investigating the source of this evil, nothing is seen but a drop like that of water, but that drop is poison. After all, who are the evil-doers? Is it not the Japanese? Hence the number of deaths that can be laid at the door of one of these stores is not to be counted. We are informed that some Japanese are also infected with the same poison.

The fundamental object of the Japanese brothel is not so much prostitution as the sale of opium and the supplying of

a rendezvous for opium-smokers; also as a place of refuge for bandits and robbers and their stolen goods. The opium habit and brigand activities are the two greatest evils of Manchuria. The offenders in both cases depend entirely upon the Japanese brothels for asylum. During recent years the number of Japanese brothels has increased, and the injury they are doing to our people is incalcuable; and when the local military and police forces track these men down, thay are unable to do anything further. The Japanese papers, however, claim that prostitution is a national industry, and the woman of easy virtue a long way from her country striving for money is a necassary pâoneer of Japanese trade. Can there be anything in the world more shameful than this?

The Japanese in Manchuria have committed more that one crime. Altogether they have done everything possible against law and humanity without the slightest regard for the eternal principles.

Of the 275 persons classified in the above tables, after deducting the two lines of trade above described, there remains those engaged in the dental, photographing, and hair-cutting trades. A superficial glance will show nothing wrong with them; but without engaging in something dishonest and malicious, it is evident that their clientele is not sufficient to enable them to earn an honorable living thereby. Therefore they cultivate relations with the numerous opium-smokers and bandits, as a means of commercial advantage.

During the winter of 1913-1914, a Japanese by name Nakamura, living in the suburbs of Hah-erh-su in the district of I-tung, built a lime kiln, which really served as a gambling joint for bandits. Not long afterwards a case of highway robbery occurred in a district within several tens of li of the kiln. During the robbery some persons were killed. I have often heard that the Japanese receive a share of the property

stolen by bandits by means of which they rapidly become rich. On the occasion of the robbery in question our soldiers pursued the bandits as far as the kiln, but owing to the resistance offered by the Japanese they did not dare to enter his premises to make any arrests. Since that time many Japanese, seeing that Nakamura was making immense sums of money by sheltering bandits have followed his example. The protection extended to these Japanese by their officials enables them to grant asylum to bandits with impunity. The bandits rob the people openly without fear, and the number of bandit outrages occurring in the various districts is ten times more than previously. The dentists and barbers referred to supply the bandits with rifles and cartridges, and in these transactions make immense profits.

Please look at the foregoing carefully and ponder over it thoughtfully. All these things were occurring before the presentation of the recent Japanese demands. At that time the treaty forbade Japanese residing in the interior, so that their number in the interior was small. Even so, we were directly and adversely affected in the manner above described. Now that the demand for mixed residence has been granted, will not South Manchuria be a veritable retreat for bandits in future? Can we expect to have a peaceful day?

The above is a comparatively trivial matter, but in the Japanese railway concession at Changchun one finds a splendid large building specially for the maintenance of bandits. Those who stay there are charged Yen 2 per day. When they intend to commit a robbery the Japanese police supply them with rifles and cartridges, and the proceeds of the robbery are divided as follows:- 30 per cent to the Japanese police and 70 per cent to the bandits. Should any bandit wish to register in the office of the Japanese police named Hiromoto, he must pay a fee of Yen 1 per day, but if

any well-known bandit or highway robber wishes to get registered, he has to pay from 100 to 200 yen per month. These payments are known as insurance premiums to indemnify the Japanese for the protection afforded.

Among the Japanese such men as Nakamura and Kincho are the Consul's representatives for dealing with the bandits. The monthly fees received amount to over Yen 20,000, and the Japanese Consul himself is making something out of it. Alas! Are these people not coming here for the purpose of committing murder, arson and theft? The Japanese Consul is a dignified diplomatic representative of his country, and yet he avails himself of the bandit movement to make money. Is this a right thing to do anywhere in the world?

All that I have stated above originates from the practice of mixed residence. It is indeed most dangerous. But the signing of the new Sino-Japanese protocol and the dangerous and malicious evils growing out of the clauses therein concerning Manchuria are more dangerous, hundreds of times more so! Have our Manchus thought this over seriously, serenely? If so, have you devised any ready means to defend yourselves?

Leg. No. 75.

AMERICAN CONSULATE GENERAL,

MUKDEN, CHINA.

July 6, 1915.

SUBJECT: Arrest by Japanese Police of Three Chinese Students in Mukden.

Sub. .....
Recd 8 JUL 1915
Ack. .....
Ans. .....
Ref. .....
Ans. .....

J. V. A. MacMurray, Esquire,
American Charge d'Affairs,
Peking, China.

Sir:

In continuation of my No. 73 of the 25th ultimo, with special reference to the recent alleged bomb outrage, I have the honor to report that at 11:30 p.m. on the 26th ultimo ten Japanese police officers attached to the Consulate General here entered and searched a native boarding house, located within the city near the Mukden Law College, in quest of certain students of that institution who were known to be residing there, and whom the Japanese suspected of the bomb-throwing. The police also believed the students had in their possession materials for manufacturing explosives. The Japanese police officers were not accompanied by Chinese police, neither had the latter been notified that the Japanese desired the arrest of any students or even suspected them. Six of the police entered the room, four remaining outside. Upon entering the room they called out the names of five students explaining that they were wanted in connection with the bomb-throwing incident. When the students present asked by what authority they were being arrested, the police officers made no reply, but began the search. The students

protested but, being overawed by the superior police force, finally yielded. The search of the students and the room revealing nothing of an incriminating nature, the police thereupon extinguished the light, led three of the students outside, and handed them over to the four police. The six officers then re-entered the room, and having lighted the lamp, made another search. They promptly produced a package which they claimed to have found behind a mirror. It contained an explosive. The students contend that when the light was extinguished one of the Japanese took the parcel, which was wrapped in Japanese paper, and which contained the explosive, from his sleeve where it had been concealed. The two additional students, whose names were called and who were not in the house at the time of the other arrests, have since disappeared.

At the preliminary investigation in the Japanese police station the students denied the charges preferred against them. They stated that when the Japanese police entered their room they were preparing for the forthcoming examination in their college work and that they had no knowledge of the package said to have been found.

When these arrests came to the knowledge of the principal of the Law College, he at once called upon the Civil Governor and requested him to demand the immediate release of the students who, as he stated, had been arrested by Japanese police without authority in Chinese territory and in direct violation of treaty provisions. The Civil Governor at once instructed the Special Delegate for Foreign Affairs to proceed to the Japanese Consulate Gendral and demand that the students be delivered to the Chinese police. The Japanese Consul General stated that it was a case of grave concern to Japanese life and property and that he could not consent to hand over the students until he had conducted a full investigation, and

added that he was confident of obtaining a confession upon which a charge could be framed, as there was prima facie evidence against the students. The Special Delegate failed to obtain any satisfaction. When this was made known to the students of the Law College and other schools in Mukden they formed a deputation which called upon the Civil Governor and stated that the procedure in the case was unsatisfactory; and that, as the chief executive officer of the province, it was his duty to see that the Chinese obtained justice. They further threatened that unless satisfaction was obtained he would be impeached for non-discharge of duty. The Civil Governor then called personally on the Japanese Consul General, who stated that in view of the strong anti-Japanese feeling that prevailed there must be something in the charge; that, therefore, he could not see his way clear to surrender the students from whom he had not yet obtained a confession, but that he would hand them over to the Chinese authorities in a few days. The Civil Governor then telegraphed the Central Government requesting that the matter be taken up with the Japanese Minister, at the same time sending the Chief of the Bureau of Education to warn the students not to create any disturbance and to counsel patience, as the Japanese Consul General had promised to release those arrested in a few days. In the meantime the principals of the colleges and schools were instructed to discontinue granting the students permission to leave their dormitories, so as to reduce the possibility of student mass-meetings. While the Chinese authorities were thus striving to allay irritation, the Japanese papers were publishing inflammatory articles, calling the Chinese colleges and schools hotbeds of sedition, and advising the dismissal of the principal and the closing of the Law College. In the meantime the student classes are enraged claiming that their common rights are being ruthlessly trampled upon.

On June 28th the leading Japanese residents in Mukden held a meeting and agreed to send representatives to the Japanese Consul General to invite his influence in the attainment of the following objects:-

1. Establishment of branch police stations within the walls of the city.

2. Negotiations to be opened regarding the bomb-throwing affair as early as possible. If any circumstances should prevent the early opening of such negotiations, it is requested that they be explained in detail.

3. If the Civil Governor fails to suppress the anti-Japanese movement, his removal should be demanded of the Peking Government.

In this connection, the attention of the Legation is respectfully called to my despatch above referred to, reporting a previous meeting of leading Japanese residents at which several resolutions were passed in reference to the boycott and telegraphed to the Tokyo Cabinet. It is understood that the reply received was to the effect that more conclusive proof must be produced before the matter could be taken up with the Peking Government. The above incident shows how attempts are being made to obtain the proof needed.

Thoughtful public opinion in Mukden is totally against the Japanese in this affair, as there is thus far no evidence that would be accepted in any court of justice. Even if it were proved that the Chinese had explosives, the question arises, where did they get them? The Japanese are the only people here who, contrary to all regulations, deal in explosives and fire arms. It is to be noted, moreover, that these arrests are in direct conflict with the letter, if not the spirit, of the recently concluded Sino-Japanese protocols.

It is known that during the examinations of Chinese prisoners by Japanese police, a favorite method of extorting

confessions is to force kerosene into the throats of the victims. It is only natural that the Chinese apprehend that these means may be adopted to obtain a confession in this case. No one, however, has any definite knowledge as to this, as the so-called examinations are held in camera, and the accused is not represented by counsel. The population of this province is about 70 per cent agricultural, and they are for the most part ignorant of Japanese activity and methods. It is the students and the educational classes who are acquainted with conditions and it is these whom the Japanese fear as most likely and able to impede their work; hence the attack on them.

Under the pretext of the boycott and this alleged outrage the Japanese have already increased their police force, which is now functioning in all parts of the city alongside of the Chinese police and soldiers. With feeling running so high, a clash may occur any time, especially as the Chinese police have now received strict instructions not to allow Japanese to arrest any Chinese.

The Chinese officials say that they have exhausted every resource in trying to maintain good relations with the Japanese. No coercion on the part of the Japanese can recapture the trade. The goodwill of the people is necessary, and so long as the Japanese continue their present tactics, this goodwill will scarcely be recovered. There is, no doubt an aversion to Japanese goods as such, but also a decided awakening among the Chinese to the merit of supporting their own products, and it is this last-named factor which is mainly responsible for the dullness of the Japanese trade. In a tabulated statement issued on the 2nd instant by the representatives of the leading Japanese residents here it is shown that the sale of Japanese goods in Mukden during June last, as compared with the corresponding month last year,

decreased by gold yen 538,000, or 75 per cent; and that if the decreases were closely calculated they would amount to not less than gold yen 800,000. The local manager of the Yokohama Specie Bank informed me on the 1st instant that the business in drafts between Japan and South Manchuria had fallen 60 per cent during June last. A boycott of this description is difficult to suppress and the Japanese feel that some means must be devised to accomplish that end, as the small Japanese trader depends upon Chinese patronage for his livlihood. Having regard to the urgency of the matter, the Japanese authorities have employed a number of detectives with a view to discovering some evidence that will afford them what to their minds will serve as grounds upon which to base a demand for compensation for loss of trade, direct and indirect. The Japanese owned and controlled newspapers, foreign and vernacular, are clamoring for the resignation of the Civil Governor, who is held by them mainly responsible for the continuance of the anti-Japanese movement.

I have the honor to be, Sir,

Your obedient servant,

C. F. Whittaker

Consul General.

710.

H/Fa.

Copy sent to Department of State.

I:C

Duo. Russo-mongolian Agreement

Subject: Peking:

Recd.

No. 691. July 17, 1915.

Ack.

Ans.

Ref.

Ans.

710

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to transmit herewith a translation into English of the tripartite agreement in regard to Mongolia, signed at Kiachta on June 7th last by representatives of the Chinese, Mongolian and Russian Governments. This translation was furnished to me, together with copies of the French and Chinese texts, by an official of the Wai Chiao Pu; and the present copy embodies some rectifications of spelling and phraseology made on comparison with the French (which is the ruling text) and the Chinese. An extra copy is enclosed for transmission to the Embassy at Petrograd, if so desired by the Department. The Legation would of course be glad to receive for its

information

information a copy of the ruling French text of this agreement as promulgated by the Russian Government, if forwarded by the Embassy.

The present agreement is the result of negotiations that have continued intermittently since shortly after the signature of the Sino-Russian Declaration and Exchange of Notes of (October 23rd) November 5th, 1913 (for which see this Legation's despatch No. 2014 of November 11th, 1913;; also the Russian "Collection of Laws and Ordinances of the Government", December 6:19, 1913, No. 270, First Section, Paragraph 2801). Those negotiations have taken place at Kiachta, with little apparent interest taken in them here, and that interest confined, so far as has been evident in Peking, to such trivial questions of amour propre as the title to be bestowed on the Hutuktu, and the use of the Chinese Republican calendar. The actual substance of the agreement as establishing the anomalous political and economic status of Outer Mongolia — a paradox of Chinese sovereignty, Mongolian autonomy, and joint Russian and Chinese sphere of influence — is only the inevitable working out of the Russo-Mongolian Agreement and Protocol of (October 21) November 3rd, 1912, (for which see this Legation's No. 707 of January 7th, 1913, and Petrograd's No. 464 of January 6, 1913, enclosing a translation of Paragraph 2288 of the Russian "Laws and Ordinances of the Government"; also British Parliamentary Paper, China No. 1, 1913, Cd. 6604), and of the Sino-Russian Declaration of (October 23) November 5th, 1913 (cited above).

This arrangement, illogical and anomalous as it is,

may perhaps

may perhaps prove practical: whether it does or not depends, as it seems to me, primarily upon the Far Eastern policy which Russia may adopt. That policy has hitherto been too variable and dependent upon personalities to be calculable: but it appears likely that the outcome of the present European War will result in committing Russia definitely to one or the other of the two alternative policies which have intermittently and ephemerally determined her action in the Far East — policies which may be roughly indicated by the designations of agressive and defensive. Should the result of the War be to present the Far East either as the sole opportunity or as the least contested opportunity for Russian expansion, no doubt the several arrangements in regard to Mongolia will prove capable of being effectively interpreted in such a manner as to give Russia virtual, if not formal, control (in a political, military and economic sense) over the territory bounded to the eastward by the Gobi Desert. If, on the other hand, the result of the War is to free Russia from economic dependence upon Germany, to give her commerce an assured outlet through the Dardanelles, and to satisfy her traditional ambitions or to remove her habitual preoccupations and apprehensions as to the status of the Slavic populations of Austria-Hungary and the Balkan Peninsula which look to her for political leadership, it is altogether probable that the Russian interpretation of the Mongolian agreements will tend to create between the boundaries of the Russian Empire and those of China proper a buffer zone in which Russia will exercise only a negative influence or authority, to prevent any possibility of military action by or

(more

(more particularly) with the acquiescence of China, or any Chinese competition in the trade in Siberia.

It is the misfortune of China's military unpreparedness and international ineffectiveness, that the meaning and effect of the solemn engagements which she concludes must remain determinable by the policies of the several governments with which those engagements are contracted.

In this connection, I would invite attention to the two agreements concerning Railways and Telegraphs in Outer Mongolia, concluded in Kiachta by the Russian and Mongolian Governments on September (17) 30th last. (The official Russian text of these agreements is understood to have been promulgated by the Russian Government in the "Collection of Laws and Ordinances of the Government", (October 28) November 10th, 1914, No. 294, First Section, Paragraphs 2719 and 2720).

I have the honor to be, Sir,

Your obedient servant,

J. V. A. MACMURRAY.

Enclosure:

As stated.

710.
800.

A true copy of the signed original.

SINO-RUSSO-MONGOLIAN AGREEMENT OF JUNE 7th, 1915.

The President of the Republic of China,

His Imperial Majesty, the Emperor of all the Russias, and

His Holiness the Bogdo (Great) Cheptsun (Venerable) Damba (Sacred) Hut'ukht'u (Reincarnated) Khan (Ruler) of Outer Mongolia,

Animated by a sincere desire to settle by mutual agreement various questions created by a new state of things in Outer Mongolia, have named for that purpose their Plenipotentiary Delegates, that is to say:

The President of the Republic of China, General Pi Kuei-fang and Monsieur Ch'ên Lu, Envoy Extraordinary and Minister Plenipotentiary of China to Mexico;

His Imperial Majesty the Emperor of all the Russias, His Councillor of State Alexandre Miller, Diplomatic Agent and Consul-General in Mongolia; and

His Holiness the Bogdo Cheptsun Damba Hut'ukht'u Khan of Outer Mongolia, N'êrh-tê-ni Cho-nang Pei-tzu Sê-lêng-tan, Vice-Chief of Justice, and T'uhsieh-t'u Ch'in Wang Ch'a-Ê'o-tu-êrh-cha-pu, Chief of Finance,

Who having verified their respective full powers found in good and due form, have agreed upon the following:

Article I.

Outer Mongolia recognizes the Sino-Russian Declaration and the Notes exchanged between China and Russia of the 5th day of the 11th month of the 2nd year of the Republic of China: 23 October 1913.

Article II.

Outer Mongolia recognizes China's suzerainty, China and Russia recognize the autonomy of Outer Mongolia forming part of Chinese territory.

Article III.

Autonomous Mongolia has no right to conclude international treaties with foreign powers respecting political and territorial questions.

As respects questions of a political and territorial nature in Outer Mongolia, the Chinese Government engages to conform to Article II of the Note exchanged between China and Russia on the 5th day of the 11th month of the 2nd Year of the Republic of China : 23rd October 1913.

Article IV.

The title: "Bogdo Cheptsun Damba Hut'ukht'u Khan of Outer Mongolia" is conferred by the President of the Republic of China. The calendar of the Republic as well as the Mongol calendar of cyclical signs are to be used in official documents.

Article V.

Article V.

China and Russia, conformably to Article II and III of the Sino-Russian Declaration of the 5th day of the 11th month of the 2nd year of the Republic of China : 23rd October 1913, recognize the exclusive right of the Autonomous Government of Outer Mongolia to attend to all the affairs of its internal administration and to conclude with foreign powers international treaties and agreements respecting all questions of a commercial and industrial nature concerning autonomous Mongolia.

Article VI.

Conformably to the same Article III of the Declaration, China and Russia engage not to interfere in the system of autonomous internal administration existing in Outer Mongolia.

Article VII.

The military escort of the Chinese Dignitary at Urga provided for by Article III of the above-mentioned Declaration is not to exceed two hundred men, The military escorts of his Assistants at Uliassutai, at Kobdo, and at Mongolian-Kiachta are not to exceed fifty men each. If, by agreement with the Autonomous Government of Outer Mongolia, Assistants of the Chinese Dignitary are appointed in other localities of Outer Mongolia, their military escorts are not to exceed fifty men each.

Article IX.

On all ceremonial or official occasions the first place of honour is due to the Chinese Dignitary. He has the right, if necessary, to present himself in private audience with His Holiness Bogdo Cheptsun Damba Kut'ukht'u Khan of Outer Mongolia. The Imperial representative of Russia enjoys the same right of private audience.

Article X.

The Chinese Dignitary at Urga and his Assistants in the different localities of Outer Mongolia provided for by Article VII of this agreement are to exercise general control lest the acts of the autonomous Government of Outer Mongolia and its subordinate authorities may impair the suzerain rights and the interests of China and her subjects in Autonomous Mongolia.

Article XI.

Conformably to Article IV of the Notes exchanged between China and Russia on the 5th day of the 11th month of the 2nd Year of the Republic of China (23rd October 1913), the territory of autonomous Outer Mongolia comprises the regions which were under the jurisdiction of the Chinese Amban at Urga, of the Tartar-General at Uliassutai and of the Chinese Amban at Kobdo; and connects with the boundary of China by the limits of the banners of the four aimaks of Khalka and of the district of Kobdo, bounded by the district of Houlon-Bouire on the East, by Innter Mongolia on the South, by the Province of Singkiang on the South-West, and by the districts of Altai on the West.

The formal

The formal delimitation between China and autonomous Mongolia is to be carried out by a special commission of delegates of China, Russia and autonomous Outer Mongolia, which shall set itself to the work of delimitation within a period of two years from the date of signature of the present Agreement.

Article XII.

It is understood that customs duties are not to be established for goods of whatever origin they may be, imported by Chinese merchants into autonomous Outer Mongolia. Nevertheless, Chinese merchants shall pay all the taxes on internal trade which have been established in autonomous Outer Mongolia and which may be established therein in the future, payable by the Mongols of autonomous Outer Mongolia. Similarly the merchants of autonomous Outer Mongolia, when importing any kind of goods of local production into Inner China, shall pay all the taxes on trade which have been established in "Inner China" and which may be established therein in the future, payable by Chinese merchants. Goods of foreign origin imported from autonomous Outer Mongolia into "Inner China" shall be subject to the customs duties stipulated in the Regulations for land trade of the 7th year of the Reign of Kouang-Hsu (of 1881).

Article XIII.

Civil and criminal actions arising between Chinese subjects residing in autonomous Outer Mongolia are to be examined and adjudicated by the Chinese Dignitary at Urga and by his Assistants in the other localities of autonomous Outer Mongolia.

Article XIV.

Civil and criminal actions arising between Mongols of autonomous Outer Mongolia and Chinese subjects residing therein are to be examined and adjudicated conjointly by the Chinese Dignitary at Urga and his Assistants in the other localities of autonomous Outer Mongolia, or their delegates, and the Mongolian Authorities. If the defendant or the accused is a Chinese subject and the claimant or the complainant is a Mongol of autonomous Outer Mongolia, the joint examination and decision of the case are to be held at the Chinese Dignitary's place at Urga and at that of his Assistants in the other localities of autonomous Outer Mongolia; if the defendant or the accused is a Mongol of autonomous Outer Mongolia and the claimant or the complainant is a Chinese subject, the case is to be examined and decided in the same manner in the Mongolian yamen. The guilty are to be punished according to their own laws. The interested parties are free to arrange their disputes amicably by means of arbiters chosen by themselves.

Article XV.

Civil and criminal actions arising between Mongols of autonomous Outer Mongolia and Russian subjects residing therein are to be examined and decided conformably to the stipulations of Article XVI of the Russo-Mongolian Commercial Protocol of 21st October 1912.

Article XVI.

Article XVI.

All civil and criminal actions arising between Chinese and Russian subjects in Autonomous Outer Mongolia are to be examined and decided in the following manner; in an action wherein the claimant or the complainant is a Russing subject and the defendant or the accused is a Chinese subject, the Russian Consul personally or through his delegate participates in the judicial trial, enjoying the same rights as the Chinese Dignitary at Urga or his delegate or his Assistants in the other localities of Autonomous Outer Mongolia. The Russian Consul or his delegate proceeds to the hearing of the claimant and the Russian witnesses in the court in session, and interrogates the defendant and the Chinese witnesses through the medium of the Chinese Dignitary at Urga or his delegate or of his Assistants in the other localities of Autonomous Outer Mongolia; the Russian Consul or his delegate examines the evidence presented, demands security for "revindications" and has recourse to the opinion of experts, if he considers such expert opinion necessary for the elucidation of the rights of the parties, etc; he takes part in deciding and in the drafting of the judgment, which he signs with the Chinese Dignitary at Urga or his delegate or his Assistants in the other localities of Autonomous Outer Mongolia. The execution of the judgment constitutes a duty of the Chinese autheri-ties.

The Chinese ~~Amban~~. Dignitary at Urga and his Assistants in the other localities of Autonomous Outer Mongolia may likewise personally or through their delegates be present at the hearing of an action in the Consulates of Russia wherein the defendant or the accused is a Russian subject and the claimant or the complainant is a Chinese subject. The execution of the judgment constitutes a duty of the Russian authorities.

Article XVII.

Since a section of the Kiachta-Urga-Kalgan telegraph line lies in the territory of Autonomous Outer Mongolia, it is agreed that the said section of the said telegraph line constitutes the complete property of the Autonomous Government of Outer Mongolia.

The details respecting the establishment on the borders of that country and Inner Mongolia of a station to be administered by Chinese and Mongolian employees for the transmission of telegrams, as well as the questions of the tariff for telegrams transmitted and of the apportionment of the receipts, etc., are to be examined and settled by a special commission of technical delegates of China, Russia and Autonomous Outer Mongolia.

Article XVIII.

The Chinese postal institutions at Urga and Mongolian-Kiachta remain in force on the old basis.

Article XIX.

Article XIX.

The Autonomous Government of Outer Mongolia will place at the disposal of the Chinese Dignitary of Urga and of his Assistants at Uliassutai, Kobdo and Mongolian-Kiachta as well as of their staff the necessary houses, which are to constitute the complete property of the Government of the Republic of China. Similarly necessary grounds in the vicinity of the residence of the said staff are to be granted for their escorts.

Article XX.

The Chinese Dignitary at Urga and his Assistants in the other localities of Autonomous Outer Mongolia and also their staffs are to enjoy the right to use the courier stations of the Autonomous Mongolian Government conformably to the stipulation of Article XI of the Russo-Mongolian Protocol of 21 October 1913.

Article XXI.

The stipulations of the Sino-Russian Declaration and the Notes exchanged between China and Russia of the 5th day of the 11th month of the 2nd of the Republic of China : 25 October 1913, as well as those of the Russo-Mongolian Commercial Protocol of the 21 October 1912, remain in full force.

Article XXII.

The present Agreement drawn up in triplicate in the Chinese, Russian, Mongolian and French, comes into force from the day of its signature. Of the four texts which have been duly compared and found to agree, the French text shall be authoritative in the interpretation of the Present Agreement.

Done at Kiachta the 7th day of the Sixth Month of the Fourth Year of the Republic of China corresponding to the Twenty-Fifth of May (Seventh of June), One Thousand Nine Hundred Fifteen.

(TRANSLATION)

Kiachta May 25, / June 7, 1915.

The undersigned Imperial Delegate Plenipotentiary of Russia to the tripartite negotiations at Kiachta, duly authorised for this purpose, has the honour, on proceeding to sign the tripartite agreement of this day's date relating to Autonomous Outer Mongolia, to declare in the name of his Government to their Excellencies Messieurs Py Koue Fang and Tcheng Loh, Delegates Plenipotentiary of the Republic of China to the tripartite negotiations at Kiachta, as follows:

It is agreed that all the telegraph offices which are situated along that section of the Kalgan-Urga-Kiachta line which lies within Outer Mongolia and of which mention is made in Article XVII if the Agreement of Kiachta, are to be handed over by the Chinese officials to the Mongolian officials within a period of most of six months after the signing of the Agreement; and that the point of junction of the Chinese and Mongolian lines are to be fixed by the Technical Commission provided for in the aforesaid article.

The above is at the same time brought to the knowledge of the Delegates Plenipotentiary of the Autonomous Government of Outer Mongolia.

The undersigned seizes this occasion to renew to the Delegates Plenipotentiary of the Republic of China the Assurances of his very high consideration.

(Signed) A. MILLER.

To MM. General Py Koue Fang and
Tcheng Loh, Chinese Delegates Plenipotentiary.

KIACHTA May 25, / June 7, 1913.

The undersigned Delegate Plenipotentiary of Russia to the tripartite negotiations at Kiachta has the honour to acknowledge to their Excellencies Messieurs Pu Koue Fang and Tcheng Loh, Delegates Plenipotentiary of the Republic of China to the tripartite negotiations at Kiachta, the receipt of the following note of this day's date:

"The undersigned Delegates, Plenipotentiary of the Republic of China to the tripartite negotiations at Kiachta, duly authorized for this purpose, have the honour, on proceeding to sign the tripartite agreement of this day's date relating to Autonomous Outer Mongolia, to declare in the name of their Government to His Excellency, Mr. Miller, Imperial Delegate Plenipotentiary of Russia to the tripartite negotiations at Kiachta as follows: From the day of signature of the present Sino-Russo-Mongolian agreement the Government of the Republic of China grants a full amnesty to all the Mongols who submitted to the Autonomous Government of Outer Mongolia; it leaves to all the Mongols of Outer Mongolia as of Inner Mongolia the freedom as before of residence and travel in the said regions. The Government of the Republic of China will not place any restraint upon Mongols going in pilgrimage to testify their veneration to His Holiness Bogdo Cheptsun Damba Hutuktu'u Khan of Outer Mongolia."

The undersigned seizes this occasion to renew to the Delegates Plenipotentiary of the Republic of China the assurances of his very high consideration.

(Signed) A. MILLER.

To

MM. General Py Koue Fang

and

Tcheng Loh,

Chinese Delegates Plenipotentiary.

Leg. No. 101.

AMERICAN CONSULATE GENERAL,

MUKDEN, CHINA.

November 23, 1915.

SUBJECT: Settlement of the alleged bomb-throwing case at Mukden.

Sub.
Recd. 26 NOV 1915
Ack.
Ans.
Ref.
Ans.

Honorable Paul S. Reinsch,

American Minister,

Peking, China.

Sir:

I have the honor to report that after about five months' illegal detention in the Japanese consular jail at Mukden, the three Chinese students, who were arrested by the Japanese police near the end of June last charged with throwing a bomb into a Japanese drug store on June 18, 1915, which incident formed the subject of my despatches to the Legation Nos. 72, 73, and 75 of June 22, June 25, and July 6, 1915, respectively, were surrendered to the Chinese authorities on the 14th instant under terms imposed by the Japanese, as follows:-

1. A sum of Yen 22,000 to be paid to the proprietor of the drug store for damages sustained and to the two Japanese alleged to be injured.

2. Strenuous efforts to be made by the Chinese authorities to effect the arrest of the alleged principal offender now at large, who is to be adequately punished.

3. A Japanese consular representative to be present at the trial of the offenders in the Chinese court, the representative to be permitted to challenge any statement made by the accused.

4. When the culpability of the Chinese officials implicated in the case has been established, the present chief of the police administration to be ordered to tender apologies to the Japanese, and the former chief to be punished for dereliction of duty in failing to protect Japanese residents in his district.

5. The charge as formulated by the Japanese and the evidence as furnished by them to serve as the bases of trial.

It is possible that these students would have been handed over to the Chinese authorities long before but for the interposition of the monarchical movement, the direction of which consumed so much time and effort on the part of the higher officials of this province. Negotiations in the matter continued is a desultory way for months and were only resumed in earnest after the monarchical elections had been finally disposed of.

The sum claimed by the Japanese has already been paid over by the provincial government, and notwithstanding the fact that, in order to spare the susceptibilities of the Chinese, it was agreed that no mention of the payment of an indemnity should be made in the notes on the subject exchanged between the two governments, all the terms of settlement were given full publicity in a recent issue of the Japanese official organ in South Manchuria. In fact, this was the first intimation the Chinese public received as to the final adjustment of the matter.

Through a trustworthy Chinese official I am furnished particulars as to how the Japanese succeeded in extorting the confessions of guilt from the students as well as the payment of this excessive indemnity from the Chinese Government. The students have been questioned and, despite strenuous efforts by the Chinese authorities to keep the matter quiet, it has been learned that they have been subjected to torture, so cruel and inhuman that it has come as a surprise to those Chinese who were under the impression that Japanese "measures of guidance, control and protection," the euphemistic phrase so frequently appearing in the preamble of Japan's conventions

with Korea and China, excluded such practices. Reports of the torture by Japanese of accused Chinese throughout South Manchuria reach me from time to time. When questioned on this point the Japanese excuse themselves by the statement that treatment of any other kind would be wasted on Chinese. From this it would seem that the Japanese are possessed of different standards of justice, or methods for extorting confessions, to be used as occasion calls.

At the preliminary hearing held at the Chinese law court on the 16th instant, the three students wept bitterly and declared they would rather suffer death at once than again submit to the treatment received at the hands of the Japanese. They testified that they were bound and beaten by Japanese policemen, and that when this method proved unsuccessful in extorting a confession of guilt they were made to submit to having water strongly mixed with pepper forced into their mouths, their throats all the while having been held tightly so that the burning liquid had to be ejected through their nostrils. The first time this treatment was tried it resulted in totally incapacitating one of the students, who had to be removed to the Hospital in an effort to save his life. This was fortunate for the student, as it turned out, as his condition was such that he had to remain there, thus escaping further torture and the exaction of a confession. The other two students had to endure the water and pepper treatment so frequently that finally their strength gave way, and, losing all hope in the ability of their government to assist them, they partially confessed and signed a document prepared by the Japanese. This statement, besides admitting their own implication in the bomb outrage, was to the effect that one of the students who succeeded in escaping on the night of the arrests was connected in some manner with the case. My informant assures me that it was upon this evidence, and this

alone, that the Japanese succeeded in mulcting the Mukden government to the extent of Yen 22,000.

The repeated efforts made by officials and friends to see the students during the first few weeks of their detention in the Japanese jail were without result. It is now believed that this was because of the frightful physical state to which they were reduced by the water and pepper treatment; moreover, all examinations were held in camera. Under all the circumstances the length of time that the accused withstood the torture is remarkable, and it is not surprising that the mind of one of them is reported to be deranged. The confessions above alluded to were the result of about six weeks of this treatment. The preliminary hearing at the Chinese law court was not productive of any evidence of an incriminating nature against the accused, but they were not liberated: this is a case in which Japanese are involved, so it has to be remanded. The trial will take place upon the return of the judge of the higher court, who is at present away on leave.

The general opinion of the enlightened Chinese here is that there is too much leniency shown to the Japanese in the treatment of Sino-Japanese questions. It is doubtless true that many privileges are bartered away and insults tolerated owing to the unfortunate fact that there is no articulate intelligent public opinion. The majority of the better classes among the natives, including the literati, the gentry, leading merchants, etc., are dependent upon their relations with the officials for a livelihood, and these classes, though directly interested in the mutually satisfactory solution of the outstanding questions, are kept in utter darkness by the officials as to what is actually transpiring. For instance the newspapers in this case are prohibited from making any mention of torture. The Chinese officials in Manchuria on their part are instructed from Peking to placate the Japanese in everything so as to

avoid any controversy that may precipitate a crisis.

The two extra Japanese police boxes that were erected within the city at the time of the bomb-throwing incident on the pretext of being required for the adequate protection of Japanese life and property are still there to the annoyance of the Chinese, and so far there is no sign that their removal is contemplated.

I have the honor to be, Sir,

Your obedient servant,

P. J. Brittingham

Consul General.

710.

H/Fa.

Copy sent to the Department of State.

Leg. No. 102.

AMERICAN CONSULATE GENERAL,

MUKDEN, CHINA.

December 6, 1915.

SUBJECT: Sino-Japanese Relations in South Manchuria; Settlement of the Case Relating to the Seizure of the Land Fronting the Imperial Peiling Tombs at Mukden.

Sub.
Recd. DEC 1915
Ack. 9
Ans.
Ref.
Ans.

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

710

Sir:

With reference to the above mentioned case which has formed the subject of several despatches to the Legation during the last two years, I now have the honor to report the arrangement for its final solution. After protracted negotiations of full two years between the local government and the Japanese consular authorities, the magistrate of Mukden has reached an understanding with the alleged Japanese lessee of the land in question, by which the Chinese Government is to pay the latter the sum of 220,000 yen for this tract of land, the lessee however reserving to himself a strip of rice fields thereon containing some two hundred and fifty-eight acres. The particulars of the case, stated briefly, are as follows:

The courtyard of the Imperial Peiling Tombs at Mukden consists of a large tract of land which encircles the actual tomb and burial grounds and belongs to the Chinese Government. In the year 1911 a Chinese representing the Po Fung Agricultural Company, a purely Chinese concern, secured the so-called front courtyard on a thirty years' lease at a rental of

$3,000 small coin per annum.

After the change of government in 1912, and in accordance with the agreement entered into between the retiring dynasty and the new government this imperial property remained in the possession of the deposed dynasty. The then Viceroy thereupon gave notice to the lessee that the contract entered into must be cancelled, and that the rent which had been paid in advance would be returned. The lessee, not satisfied with the terms of the cancellation of the contract, brought an action against the Mukden Government for damages and compensation. He lost his case. Toward the end of 1913, the lessee lodged an appeal in Peking against the decision of the Mukden Government, but he was again unsuccessful. He then returned to Mukden and entered into an agreement with a Japanese, antedating the agreement to April 1st, 1912, which was before the first suit was heard. This point of antedating the contract appears clear, for no mention of this agreement with the Japanese was made by the lessee when he brought his action against the Mukden Government, or made his appeal at Peking.

Soon after the return of the Chinese lessee from Peking at the end of 1913, he disappeared, going to Dalny; thereupon the Japanese took possession of the land in question. The Mukden authorities at once lodged a written protest with the Japanese Consul General, who replied that he could do nothing in the matter, it being beyond his power to interfere as the Japanese in possession were acting for the Japanese authorities of the Kwantung Leased Territory. Much correspondence was exchanged between the Chinese and Japanese authorities on the subject, and the Military Governor General in order to settle the matter once for all offered to pay a small compensation to the lessee. The Japanese reply was that

30,000 yen must be given as compensation; and then seeing that the Chinese Government were likely to agree they at once increased this sum to 40,000 yen, afterward informing the Chinese Government that it was no longer the question of money but one of fulfilment of contract. In the meantime the Japanese were making improvements on the land, such as filling in swamps, draining the land by irrigation, erecting buildings, and experimenting with rice and other crops. Japanese soldiers were quartered on the site to guard the property, and in addition two wells were sunk which act gave extreme offence to the Chinese as it was in direct opposition to Chinese traditions, the land being a part of the Imperial mausolea. All these incidents took place at the end of 1913 and the first half of 1914.

In June, 1914, the Japanese in a fresh offer to the Chinese Government stated that they were willing to lease the now improved land at a yearly rental of 10,000 yen for a term of 25 years, but that after the expiration of the term the land was to revert to the Japanese. As no satisfactory answer had been received by the Japanese from the Chinese authorities and as the rice-crops proved a failure - the land being unsuitable for rice cultivation - in October, 1914, the Japanese offered the whole land in full title to the Chinese Government, the figure demanded being 300,000 yen, purporting to represent capital and interest for 30 years on the sum expended. As noted above, after long delays and much bargaining the compensation to the Japanese for withdrawing from a portion only of this illegally-leased area was finally agreed upon at 220,000 yen.

It is generally known among the Japanese residents here that their Consul General at one time was about to decide this question in favor of the Chinese, and was making preparations to deport the Japanese lessee to Japan; but the

latter, who was formerly connected with a Japanese newspaper in the Kwantung leased territory and had become closely acquainted with Governor General Fukushima of the leased territory, prevailed upon the Governor General to intercede in his behalf. As a consequence the Consul General was instructed by the Governor General to change his attitude and support the claim of the Japanese to the land.

As the Japanese are permitted to retain the strip of rice fields crossing the front courtyard, and as they are allowed to retain their police station thereon, the Chinese in return for this huge sum of money have acquired little of a tangible character; they feel however that they have succeeded, as a result of the removal of the Japanese from that portion of the land immediately adjoining the entrance to the tombs, in preserving the sacred traditions connected with the geomancy of the Imperial tombs.

It seems unnecessary to add that the negotiations attending the settlement of this case and the terms thereof which are so manifestly unfair have resulted to the further derogation of China's sovereignty in South Manchuria and consequent additional damage to her prestige.

I have the honor to be, Sir,

Your obedient servant,

P. D. Trimble Gamble

Consul General.

710.

H/Fa.

Copy sent to the Department of State.

Notes on Manchurian affairs.

Leg. No. 31.

AMERICAN CONSULATE GENERAL,

MUKDEN, CHINA.

Sub .....

21 JAN 1915

January 18, 1915.

SUBJECT: Notes on Manchurian Affairs.

800

Honorable Paul S. Reinsch,

American Minister,

Peking, China.

Sir:

I have the honor to enclose herewith for the information of the Legation a few notes on Manchurian affairs.

I have the honor to be, Sir,

Your obedient servant,

P. C. Cunningham

Consul General.

800.

H/Fa.

Enclosure: As stated.

Copy sent to the Department of State.

Notes on Manchurian Affairs.

General Chang Tso-lin of the 27th Division left for Peking on the 7th instant under presidential instructions. It is reported that Military Governor General Chang Hsi-luan contemplates resigning his office on the ground of failing health, and that he intends recommending General Chang Tso-lin as his successor.

The balance sheet of the Fengtien Provincial Government Bank for 1914 shows a net profit of small coin $180,000, which is a decrease of small coin $600,000 as compared with the previous year. This falling off is due to the constant call for redemption of the bank's notes by Japanese. The yearly profit is to be divided as follows: 35 per cent. to the administrative officials as bonuses, to be contributed to the Central Treasury, and 65 per cent. to be added to the reserve fund.

By order of the Ministry of Law, corporal punishment has again been brought into force for petty offences in order to do away with short terms of imprisonment, thus reducing jail expenditure.

The total revenue of Fengtien Province for 1914 was Peiyang dollars 11,310,000, which is an increase of Peiyang dollars 2,736,000 over the proceeding year.

The Premium Bonds issued by the Central Government and offered for sale by the Chinese post office, telegraph office, and the Government Banks through sub-agents, are not being taken up to any extent. It is also difficult to find sub-agents owing to the fact that there is absolutely no profit to be realized. Furthermore, the general public appear to entertain no confidence in the bonds.

The Civil Governor has drafted a plan to float a 4 per cent. provincial loan for administrative purposes. To avoid a failure similar to that which resulted in the domestic loan venture, he proposes to make the subscriptions compulsory at a rate of 1/100 of the means of every resident. It is said that on this basis Mukden will only subscribe to $10,900 worth of bonds.

The diplomacy so far displayed by His Excellency the newly appointed Acting Special Delegate for Foreign Affairs does not command great admiration. All he seems to have accomplished was to make an entire change of staff. His policy so far as concerns the Japanese seems to be "ask and ye shall receive". On the day His Excellency paid his round of official calls, his costume attracted considerable attention.

The Mukden branch of the Government Mint is issuing small coin $500,000 for Kirin Province and Taels 3,000,000 for Fengtien Province. The sycee was partly received from Peking and partly from Shanghai. This output of silver currency has temporarily relieved the local money market considerably, as it has raised the paper notes to almost

face value, and should tend to prevent further speculation to any great extent on the part of the Japanese, at least for the time being.

As bandit outrages always increase during the winter months, the Civil Governor has ordered an increase of the police forces throughout the province.

In order to reduce expenses, the Bureau of Finance has dispensed with the services of another twelve clerks.

The Commissioner of Defence on the Mongolian frontier has petitioned the Central Government through the Military Governor General for permission and funds to raise a further ten ying of soldiers. This is in order to give a greater guarantee for the maintenance of peace and order.

Formerly the annual allotment for educational purposes in the city of Fengtien has been Peiyang dollars 360,000, but hereafter only $300,000 will be appropriated for that purpose. In order to make up this deficiency, a slight increase in school fees will be charged during the next school year.

Construction work on the Hulutao Harbor project, which has been suspended since the revolution, is about to be resumed. Mr. Mo Kui-heng (莫貴恆), former Chief of the

Bureau of Education, has been appointed as Director. He has requested the Central Government to permit an appropriation of $500,000 to carry on the work.

The Currency Reform Office, Peking, instructed Civil Governor Chang to redeem the provincial notes as the first step in currency reform. The Governor thereupon convened the managers of the banks, prohibited the further issue of bank notes, fixed the limit to the amount of bank notes at not more than one and a Half times the amount of the specie reserve, and ordered the redemption of the excess amount of bank notes before June 30, 1915.

The Central Government has given orders for the gradual recalling of all the Tiao notes formerly issued by the Kirin Provincial Government.

The Chief of the Bureau of Finance has suggested to the Ministry of Interior that a tax of 60 per cent. ad valorem be levied on all "Bannermen Land" throughout Fengtien province. This would realize a sum of $400,000, and would greatly relieve the present financial stringency.

Arrangements have been concluded (beginning from January, 1915) between the South Manchuria, the Shanghai-Nanking, the Tientsin-Pukow, the Peking-Hankow, the Peking-Kalgan, and the Peking-Mukden railway lines to allow through booking for passengers and luggage. This will undoubtedly prove a great convenience to travellers.

The Japanese are still apprehending Chinese citizens and hailing them before the local Japanese Consular Court. This course of action cannot but intensify the existing feeling between the local Japanese residents and the Fengtien people. A case at point is as follows: A Chinese was indebted to a local Japanese firm for a trivial amount. The Japanese manager thereof detained the Chinese in his kitchen for seven days, when friends of the latter came to his assistance by settling the amount.

The commercial and industrial guilds here have jointly petitioned the Civil Governor to advance a loan with the object of saving several firms from failing in the customary period for the settlement of accounts preceding the old Chinese New Year. The guilds have further called upon the creditors of these firms not to press the collection of their debts lest the collapse of the firms might involve in trouble the large number of merchants having dealings with them.

Japanese and Chinese merchants have held a meeting at the instigation of the Chinese Chamber of Commerce to make arrangements for settlements.

The Civil Governor with permission of the Central Government proposes to send out circuit judges to the remoter prefectures early in February.

The members of the 17th Club met on the 17th instant at the Chihli Guild Hall. The object of this club is to promote

friendly relations between the Chinese and Japanese. Many high Chinese and Japanese officials were present.

In order to relieve the tightness of the local money market the Central Government have remitted $500,000. The Industrial Bank has imported Peiyang dollars 370,000, the Privincial Government Bank Peiyang $600,000, and the branch of the Heilungchiang Government Bank Peiyang $230,000. The sums thus imported will go towards redeeming paper notes with a view to affording relief to the Fengtien market.

A land surveying bureau, which also includes the former Colonization Bureau, has been organized for the purpose of surveying and alloting government lands.

Sun Pao-chen (孫 蓁 瑨), formerly Special Delegate for Foreign Affairs here, and now member of the Board of Audit, Peking, has been appointed director, and Chin Liang (錢 良) assistant director. Branch offices are to be opened at various centers in the province. The Board of Finance has alloted $10,000 Mexican to inaugurate the work. The annual working expenses are placed at $140,000.

The office of the Fengtien Electoral College whose function is connected with the election of the legislative body here and at Peking has been created in the Governor's yamen and placed under the Civil Governor, while Shih Chi Ch'ang (史紀常) of the Board of Administration has been appointed director in charge of the new office. A branch office will be opened in each prefecture under the supervision of the prefect. All its staff officials must be dissociated with political organizations, and no one ever

connected in any way with the revolutionists is eligible to election as a member of the legislative body.

The new tax levied upon cereals by the Provincial Government since last autumn varies in amount in different localities from 3 to 6 per cent. ad valorem. The Chinese dealers believing these new and additional impositions to be too heavy, have at various towns incited the populace to raid the tax collector's offices. Such demonstrations occured recently at Shuang Cheng Pu, Kirin, Changchun, and Itungchow. It is believed that the authorities will be obliged to abrogate the tax because of the united determined opposition.

RI

Revolt among Chinese troops on Tibetan border.

No. 97. AMERICAN CONSULATE.

3- FEB 1915

Chungking, China, January 19, 1915.

Rcd.
Ack.
Ans.
Ref. .....
Ans. .....

Subject: Revolt Among Chinese Troops on Thibetan Border.

Hon. Paul S. Reinsch,
American Envoy Extraordinary and
Minister Plenipotentiary,
Peking.

800

Sir:-

I have the honor to enclose herewith a copy of my despatch of January 19th to the Department with regard to subject above mentioned.

I have the honor to be,

Sir,

Your obedient servant,

E. Carleton Baker,

Consul.

Enclosure: As above.

800.

No.110. AMERICAN CONSULATE.

Chungking, China, January 19, 1915

Subject: Revolt Among Chinese Troops on Thibetan Border.

The Honorable,
The Secretary of State,
Washington. D.C.

Sir:-

I have the honor to further report as follows with regard to the Thibetan situation which has been recently dealt with in my despatches No. 84 of March 16th last entitled " A Brief Exposition of the Thibetan Situation", No.97 of August 24th entitled "Thibetan Conference Reaches a Deadlock", No.99 of September 10th entitled "Thibetan Complications" and No.104 of November 2nd entitled "Desperate Situation along Thibetan Border". After a long siege the city of Hsiang Cheng, a strategic point southeast of Batang, was finally captured by the expedition from Szechuan which has been reported upon by this office from time to time. This expedition was grossly mismanaged and the Chinese troops along the Thibetan border have been sadly neglected and left very largely to their own resources. They have been without regular pay for many months and it was no exaggeration when I referred on November 2nd to their situation as "desperate."

The condition of the Chinese troops at Batang, Chiamdo, Litang and Hsiang Cheng has brought about a state of demoralization which has affected these several communities

as well as the troops themselves. The local merchants have been obliged to support the soldiers who would no doubt have looted had this form of support not been forthcoming. The merchants, however, derived certain advantages through their support of the troops. They are permitted to transact opium business without molestation, and this line of trade, I am told, is thriving. It has proved so alluring that some of the officials even are taking it up as an avocation.

The troops who are garrisoned at Hsiang Cheng have revolted under the leadership of Commander Chen. Troops from Chengtu have been sent to quell the insurrection but it is doubtful if they can succeed for many months at least. Many of the mountain roads along the Thibetan border are almost impassable at this time of the year, and if the present expedition is as poorly equipped as the last one it will suffer many hardships and discouragements. Between Chengtu and Tachienlu there are two mountain passes over ten thousand feet high, and between Tachienlu and Batang there is one over eighteen thousand feet high to say nothing of many smaller ones. The rest houses and shelters built by Chao Erh-feng from Tachienlu to Batang have been destroyed and the pack animals have been taken away by the Thibetans.

Hsiang Cheng is almost impregnable. It is most favorably situated for purposes of military defence and can easily be defended by a small body of troops against overwhelming numbers. Although the Thibetans in 1906 were very poorly armed, and Chao Erh-feng's army was well equipped and well seasoned it took him about six months to capture this place, and even then he only succeeded by cutting off the water supply. Not only have the present defenders of Hsiang Cheng modern rifles and ammunition but they have large

field pieces which they can use with deadly effect. They are better troops, also, than those who are being sent against them and the issue is exceedingly doubtful.

There has been danger for several years of trouble among the troops on the Thibetan border. A bitter jealousy has existed for some time. A great many of the soldiers at Batang and other places in that general region belonged to Chao Erh-feng's old army and knew that Tuin, who was leader of the new expedition, had a great deal to do with Chao being killed. The troops who have served under these two leaders have never cooperated successfully and there has been between these two factions a longstanding feud. The old troops consider that they are greatly superior to the new ones and treat them with a certain amount of contempt, and I do not doubt that Chen's revolt at Hsiang Cheng can be traced to the ill feeling which has existed among the border troops during the past three years.

I have the honor to be,

Sir,

Your obedient servant,

E. Carleton Baker,

Consul.

800.

I:C

Forward movement of Japanese in China.

Peking,

No. 526. January 29, 1915.

CONFIDENTIAL

800

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

A recent conversation with a member of the Japanese Legation here throws some light on the present forward movement of the Japanese in China. It was stated that the parties in Japan are not divided by great economic questions such as the tariff, currency and trust legislation; and that they therefore naturally turn to foreign affairs for the subject matter of party agitation. The result is that the opposition will inevitably demand of the party in power aggressive action in foreign affairs.

To the above considerations I beg to add that if it is taken into account that the only economic questions which could deeply interest the masses of the Japanese

people

people at present are questions of distribution of property - in other words, of socialism - it is not surprising that the leading men in Japan should look upon popular interest in foreign affairs as a welcome escape from troublesome domestic problems.

Under these circumstances party competition reduces itself to the formula, Who will favor the most aggressive action in foreign affairs? Thus, China is at the present time affording the material for party competition in Japan. The most disquieting feature of this situation is that since the appetite of the Japanese masses grows with the expansion of power it seems hopeless to expect any inner restraint or limitation on the aggressive policy of that nation, which bids fair to continue until it comes up against a dead wall of sufficiently powerful resistance from without.

Extracts from the MAINICHI, ASAHI, and YORODZU, cited in THE JAPAN WEEKLY CHRONICLE of the 21st instant, are enclosed which, while they are irresponsible, are fair examples of the political reasoning current in the Japanese press.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

as stated.

800.

A true copy of the signed original.

THE JAPAN WEEKLY CHRONICLE.

January 21, 1915.

The MAINICHI on Pan-Japanism.

* * * * *

In a country like ours, with an ever increasing population, yet without enough resources to accommodate it, a policy which does not aim at territorial aggrandisement and the extension of national prestige is one that is unthinkable. Various theories have been proposed which aim at saving the country from the decay into which it will eventually be thrown if left in its present conditions. Some preach the 'Move Southward' policy and others the 'Move Northward' policy as the only means to save Japan, while theories like that which insists on the concentration of Japanese immigrants either in America or in Korea and Manchuria have large numbers of followers. When considered carefully, however, it will be found that these schemes are not grounded on the conviction that such movements are essential in order to meet the rapidly increasing population of the country. It is undoubtedly true that the idea of Pan-Japanism has for many years been forming among the cultured classes of our country, but it unfortunately lacks followers courageous enough to advocate it openly. Do these people of weak conviction think that to direct the destiny of a nation on such a vague idea is productive of any national good? The Imperial Edict issued at the beginning of the Meiji era is the first precise of the idea of Pan-Japanism. That part of the Edict which deals with the advancement of Japan's prestige all over the

world

world does not admit of any such partial extension of Japan's influence as is proposed by the half-hearted policies above-mentioned. It is a pity that Japan lacks statesmen great enough to see that there is no way to save her except PAN-JAPANISM, and to lead the people towards that goal."

- o : O : o -

The ASAHI on relations with the United States:

" * * * * * * * The full significance of the remarks of Mr. Taft and Mr. Roosevelt when they expressed themselves in favour of the abandonment of the Philippines rather than continue to govern them unsuccessfully is brought home when we remember the importance which the Americans have hitherto attached both politically and strategically to the archipelago. The American Government at the beginning of the war with Germany was reported to have demanded a guarantee from us that we would not take any action calculated to menace the integrity of American possessions in the Pacific, but the official denial of the report by the Japanese Government is confirmed when we consider that it is almost impossible for a Government to give a definite guarantee at a time when unexpected events frequently occur which would necessitate the cancellation of the guarantee given. The hesitation which the American Government has lately evinced concerning various questions relating to China may be explained by the changed attitude of that nation towards all international questions. If the United States recognizes the strength of Japan and the latter's goodwill

towards

towards the great nation on the other side of the Pacific, and there are indications leading us to think this will be the case - the relations between Japan and her old friends will become much more intimate."

- o : O : o -

MAINICHI'S Misgimings About Improved Relations with America:

" * * * * * * * there is not much room for doubt that the occupation by Japanese arms of German territory in the Pacific, thereby cutting off, as it were, free communication between the Philippines and the United States, has also contributed to the changed attitude of the Americans toward us. But as long as the United States do not see their way to alter the anti-Japanese laws so as to give us equal treatment with Europeans, and as long as they do not convince us that the Philippines will not be made a base from which to threaten us, we should not put any trust in the United States, but strive with more energy than ever to strengthen outselves against possible attack from her upon the supreme position which we now command in the Far East, and in the Pacific."

- o : O : o -

The YORODZU in Justification of Militarism.

" * * * * * * * * History abounds with examples showing how the prosperity of a nation is determined by war. With the exception of Italy, all the other Powers are indebted to the spoils of war for the prosperous condition of their national life. It should therefore be an obligation on those

those having in their hands the destiny of a nation persistently and steadfastly to direct their energies with a view to enhancing the welfare of that nation by extending its influence over as much territory as possible. A people like the Japanese, who are inclined to hesitate before entering upon activities for increasing the prosperity of their country, should be reminded of the old adage that the doom is sealed of a nation which has ceased to develop."

Japan's policy in China.

Sub. .....
Read 2- FEB 1915
Ack. .....
Ans. .....
Ref. .....
A.s. .....

AMERICAN CONSULATE GENERAL

No. 371 Shanghai, China. January 30, 1915.

Subject: Japan's Policy in China. 800

The Honorable Paul S. Reinsch,
American Minister,
Peking.

Sir:

As being of possible interest, I have the honor to append a copy of a note which I received this morning, apparently from the secretary of Mr. Kang Yu-wei:

"16 Sinza Terrace,
29th Jan., 1915.

"Mr. Sammons,
"Consul General,
"Shanghai.

"Dear Sir,

"It is rumored that Japan has intention for the Province of Fukien, Shantung and South Manchuria and that President Yuan, whose desire to become Emperor, lead him to enter into secret understanding with Japan for the purpose of safeguarding himself. Hence the ceding of territory.

"If such be the case, the Philippine Islands, Hawaiian Islands and the Pacific Coast will be in danger in case of war. Kindly let me have your

opinion

opinion by bearer so that I can give it to Mr. Kang Yu-wei who has also heard such rumors.

"yours sincerely,

"Lo Wu,

"secre."

Word was sent to the bearer of the above note that I was so deeply engaged that I would be unable to have any letters submitted to me.

I have the honor to be, Sir,

Your obedient servant,

Thomas Sammons

American Consul-General.

Copy to the American Embassy at Tokyo.

Copy to the Department of State.

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S.Ad.

893.00/13 Japan's demands of China.

File.

AMERICAN CONSULATE GENERAL

15 FEB 1915

No. 383 Shanghai, China. February 10,1915.

Subject: Japan's Demands of China.

The Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sir:

I have the honor to report that in yesterday's issue of the NORTH-CHINA DAILY NEWS (British), an editorial appeared, under the above caption, in which it is broadly intimated that Japan's attitude does not " look well, especially considering that the time chosen - ". Attention is then called to the majority of the great Powers being too vitally occupied elsewhere to have much thought regarding their policy towards China, but it is indicated that this does not apply to Germany which is accused of having " devoted herself with extraordinary thoroughness in detail in gaining an ascendency in China."

Then follows a general attack upon Germany's diplomatic and consular representation in the Far East, and the editor concludes that part of his lengthy editorial by assuming that Japan's demands may be "regarded as a counterblast to German pretensions."

The editor of this foremost British newspaper in this

this part of the Far East closes with the opinion that even if Japan's honor permitted her to take advantage of the European war to press her demands for extraordinary advantages in China, it would not be wise for her to defy the whole world "whose attention must sooner or later be aroused to that defiance."

I have the honor to venture the suggestion that any movement that may assist to a more definite comprehension of Japan's real attitude regarding the domination of the Far East may prove helpful in influencing Occidentals to seek peace and to unite in guiding the Orient, through peaceful measures or otherwise, in accepting their standards of civilization, progress, procedure et cetera, and to observe that Japan's demands upon China at this time may prove a valuable object lesson.

I have the honor to be, Sir,

Your obedient servant,

Thomas Sammons

American Consul-General.

Copy to the American Embassy at Tokyo.

Two copies to the Department of State.

710
S/A /

Japanese Demands
Progress of negotiations
between Japanese and
Chinese Govts.

Peking,

No. 538. February 10, 1915.

STRICTLY CONFIDENTIAL

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

Referring to my telegrams of January 23rd (7:00 p.m.), 24th (2:00 a.m.), 26th (8:00 p.m.), 27th (8:00 p.m.), and 29th (1:00 a.m.), and February 1st (8:00 p.m.), 8th (9:00 p.m.), and 9th (7:00 p.m.), I have the honor to report on the progress of the negotiations between the Japanese Minister and the Chinese Government in as far as they are known to me. I beg to request especially that this report be considered as in the highest degree confidential, inasmuch as a failure to respect the confidential character of the communications made to me by certain officials of the Chinese Government would probably involve, under the circumstances explained, the most serious consequences

not only

not only for them personally, but also for the interests of the Chinese Government itself.

On January 18th it was known that the Japanese Minister on that day had had an interview with the President of the Republic, the character of which, however, was kept secret.

On January 19th a Japanese press reporter called at this Legation and stated to one of the Secretaries that he was much interested in the interview which his Minister had had with the President, but that the Minister refused to state what was said; but then expressed the idea that the American Legation might have some knowledge which would help him. It is apparent that this man, with assumed naiveté, hoped to glean some indirect indication as to whether the Chinese had communicated anything to the American Minister.

On January 22nd, when I saw one of the Ministers of the Chinese Government on a matter of business, he informed me confidentially that demands of a very serious nature were being made by Japan which, if conceded, would destroy China's sovereignty and the equal opportunities of foreign nations in China. He stated, in general terms, a number of the demands which had been made.

On January 23rd two newspaper correspondents (both foreigners) stated to me that they had cabled their papers a full account of the nature of the demands. On the same day another Cabinet Minister, whom I saw on business, gave me a more complete account of the nature of the demands.

From January 25th on the demands began to be dis-

discussed

cussed by the public press, and confidentially among members of the Diplomatic Corps; and high Chinese officials frequently consulted with me concerning the demands, informing me of the difficulties of the Chinese Government and of the alternatives between which a choice would have to be made.

All these officials expressed the feeling that China was confronted with the greatest crisis in her history: the granting of the demands would be the end of the independent sovereignty of China. The plan of Japan was not to make any annexations of territory, but, with the maintenance of the formal sovereignty of China, to place the Chinese State in a position of vassalage through exercising a control over important parts of its administration and over its industrial and natural resources - actual and prospective.

The outline of the plan is to seek control from three centers - Manchuria, Shantung and Fukien. Manchuria is to be made more entirely a reserved sphere for Japanese capital and colonization with a certain measure of administrative control. In Shantung the interest formerly belonging to Germany is to be taken over and expanded, which will give a free hand for the complete control of this Province. In Fukien the priority of rights of development is asked which would exclude other nations and would lead to the Manchurianization of this Province by well-known methods.

In the northern sphere Inner Mongolia is to be included. From the central sphere influences will radiate to the interior by means of railway extension grants to

Honan

Honan and Shansi. From the Fukien sphere, influence would extend to the interior through Kiangsi to Hupei and Chekiang, as well as through to Kwangtung. The mortgage on the Hanyehping iron and coal mines is to be consolidated into a controlling interest with the very significant proviso attached that foreigners are to be prohibited from operating mines in the neighborhood of the company's mines and from engaging in any enterprise, which may, either directly or indirectly, affect the company's interest without the consent of the company. This astounding arrangement would make the Japanese interest the arbiter of industrial enterprise in the middle Yangtze Valley.

To these proposals, through which a footing would be obtained on the coast and in the interior of China, there are added the other demands which, while maintaining the form of sovereignty in the Central Government, would deprive it of the substance of control over its own affairs. Such are the employment of "effective" Japanese advisers in political, financial and military affairs, the joint organization of the police forces in important places, and the control over the armament of China implied in the provision that China must purchase one-half of the arms required from Japan or establish Sino-Japanese arsenals controlled by Japanese engineers and using Japanese materials.

Other demands carry out in detail these outlines of policy.

The alternatives which are now being considered by the Chinese Government in connection with this matter include the following: Whether

Whether, contrary to the injunctions of the Japanese Government, the demands are to be formally notified to the Treaty Powers on the ground that their rights are involved in the discussion.

Whether China is to work towards an international conference on Far Eastern affairs, to be convened immediately after the war, at which the Treaty Powers are to be represented.

Whether the granting of the demands respecting Manchuria is to be made a basis of negotiation, with a view to showing great liberality to Japan at that point, but then resisting with determination the demands relating to the eighteen provinces of China proper, with the possible exception of Japan's succession to the German rights in Shantung.

The Chinese Government does not seem to be disinclined to grant to the Japanese certain definite railway and mining concessions, provided they do not follow the precedent of Manchuria, but the ordinary conditions under which such concessions are granted to other nations in China: thus, for instance, that the railways are to belong to and to be operated by the Chinese Government, and that the concessionaire will advance the capital with the privilege of certain rights of engineering and furnishing materials.

The demands in their present form include a number which are incompatible with the treaty rights of other nations. It is believed by the Chinese that they may be modified in such a way as formally to avoid such

conflict;

conflict; but even if this should be done and if the demands directly affecting the sovereignty of China should be eliminated, enough would still remain to give Japan a de facto position, which, unless China were able rapidly to strengthen her national organization, would inevitably lead to Japanese control. The hope that the most excessive of the Japanese demands may be withdrawn, and the desire to make such withdrawal easier to the Japanese, has made the Chinese Government inclined to observe the Japanese injunction of secrecy. Thus, while in the course of the conversations I have been able to gain a complete knowledge as to what the demands of Japan are, I have always most carefully avoided making any suggestion that the demands should be formally communicated.

Matters of a more confidential nature than the above I shall have the honor to communicate to you later, should occasion require.

Should the attempt of Japan, through her military power, to secure control of the administration and resources of this rich country, at a time when the European nations are engaged in a death struggle, be successful, it will operate primarily to the prejudice of Great Britain whose existing important interests in China would be most adversely affected; but it would probably eventually be an equally great disadvantage to the United States. The goodwill and sincere friendship which the Chinese people have for Americans would no longer be free to manifest itself; Americans could engage in important enterprises in China only at the sufferance of another Government, and the friction

inevitably

inevitably resulting would tend to feelings of hostility between America and Japan, which latter country would, through the astounding success of her policy of overbearing others, be tempted to use to the disadvantage of the United States the vast increase in power and importance derived from China.

I have the honor to enclose, as examples of current newspaper discussion, an article by His Excellency, Liang Ch'i-ch'iao, ex-Minister of Justice and a Member of the State Council, entitled "Tortuous Diplomacy"; an article republished in the PEKING GAZETTE from the NORTH CHINA HERALD, which is the most complete and, in general, accurate account of the Japanese demands yet published; and a copy of a correspondent's cables to the CHICAGO DAILY NEWS.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

As stated.

800.

A true copy of the signed original.

Not only that, the party in Japan that really holds the reins of control in Tokio are the militarists who are just now in a jubilant and elated mood, believing that so long as the European war lasts, so long shall the "four seas and nine chow of China" be trodden upon by them without restriction. How, then, can we expect them to keep their "fingers off the pie" and thus sacrifice their life's opportunity? Shall we reason with them, situated as we are at this present juncture? Reason is not specially provided for the weak. Shall we talk in the sense of friendship with them? I have not seen or heard of any

will force

to hand over the rights

said: "You must give us everything we ask and give them immediately, so as to save us the trouble of sending our Dreadnoughts and machine-guns to your shores." We have long been aware that Japan has Dreadnoughts and have long been aware that the paper on which the Japanese demands were written are water-marked with the outlines of Dreadnoughts and machine-guns [this is an actual fact.] Dreadnoughts and machine-guns would not be needed if the demands were just and right; but when the demands are such that it is impossible for China to comply with them, no Dreadnought fleet of any size or strength and no amount of machine-guns can frighten China into giving her

intention only to subdue us in such a way that we shall be ready to comply with your every wish while still drinking to the health of each other? Different methods must be adopted and, naturally, different results will accrue from one or other of these two policies. Let me weigh these two questions for the benefit of my Japanese friends. If Japan has decided to carry out the first-mentioned policy then their present action is perfectly logical. *First they force us to open negotiations. If the negotiations fail to bring satisfactory results then they will give us a time-limit within which to give a satisfactory reply, and if the reply should be unsatisfactory then an ultimatum*

[illegible] Chiang's [illegible] other actions. Now it is [illegible] with the demands of the Japanese our integrity will be destroyed and the sovereignty of the land ceases. If we reject the Japanese demands then war will follow, which perhaps will lead to the final destruction of China. In the latter case the intention of the Japanese will be realised, but their actions will be at variance with their intentions. The Japanese will be well-advised if they will consider the eventual result such a situation will bring up them.

Nevertheless, I am still doubtful even now if the Japanese really have decided to swallow up our country. What they really believe

step. Yet there is such a country as Belgium, which prefers to risk destruction rather than to be false to her honor. No one believes that it was Belgium's prearranged plan to risk her all. Rather was it the sudden change in the general situation which forced her to take the desperate step. Such a step, therefore, was not only beyond the perception of onlookers but also beyond the control of the Belgians themselves. Do the Japanese believe that China can be coerced into submission by means of the shadow of Dreadnoughts and machine-guns?

A JAPANESE VIEW OF MR. LU CHENG-HSIANG'S APPOINTMENT.

The *Yorodzu*, commenting on the appointment of Mr. Lu Cheng-hsiang [illegible] Minister for Foreign Affairs, [illegible] Mr. Sun Fo-chi [illegible] Minister for Finance, [illegible] Minister for Agriculture and Commerce, says that the Ministerial [illegible] is considered. There is every reason to believe that Lu Cheng-hsiang's appointment at the present time, [illegible] Japan, [illegible] Minister for many years. Another noteworthy fact is that Lu Cheng-hsiang is married to a Belgian lady, whose country, together with Great Britain, France and Russia, is now fighting Germany in the interests of humanity and peace. Perhaps the Ministerial change referred to was due to the distress of President Yuan Shih-kai, who is always quick to grasp every occasion for the advancement of the interests of his country. Viewed from Japan's standpoint, the Ministerial change may be taken as an indication that the foreign policy of the neighbouring Republic will undergo a radical alteration, but the paper warns the Japanese that it is still premature to conclude that, under the direction of the new Chinese Minister of Foreign Affairs, the negotiations now in progress between the two countries over the Japanese counter-demand, said to be connected with Manchuria and Mongolia, will be settled in favour of this country. Those who know what a clever statesman President Yuan Shih-kai really is will soon become convinced that China, with the help of Russia and allied Powers, will try to bring pressure to bear upon Japan in regard to the counter-demand and other questions pending between the two Asiatic countries.—Be that as it may, says the paper in conclusion, China will never again make such an absurd demand on Japan as the immediate withdrawal of the latter from Shantung Province—a demand that caused mischievous tension between the two countries.

opportunity has offered. In dealing with us, they have threatened us with every possible reprisal, while in their dealings with other Powers they have done all they could to provoke ill-will and misunderstanding on their part towards us. As if it were not sufficient to accuse us falsely of having concluded a secret treaty with Germany, they invented the rumour that we are also secretly anti-British. Anything tending to injure our international relations and destroy the reputation of China they have fastened upon with a thoroughness that beggars description. Yet our Government, in their fear of the bullying methods of the Japanese, have not

CHINA'S LAST CHANCE.

The concept of Japan to co-exist our colony, subways and even the policing of the city is [illegible] Japan [illegible] and [illegible] be so devoid of honor and shame as deliberately to disregard the rights of other people? Therefore, we are convinced again that even this unheard aggression is aiming at all the lies, and even if we are really the [illegible] we should unite as one and [illegible] our country's [illegible] Japan [illegible] and all [illegible] and [illegible] [illegible] [illegible]

that the Japanese influence in Port Arthur and Dairen differs very little from that in Korea. Although Japan has made treaties with other Powers, guaranteeing commercial

another eight years. The extension of the lease to ninety-nine years means practically the perpetuation of the Japanese occupation. China, however, and the progressive elements of the colonial policy for that portion of Asia, in the United States, and France, and that she would uphold the territorial integrity of China. How different are her actions from her professions!

Japan has also obtained the control of the railways. The Russian Railways was one of the principal causes of the Russo-Japanese war. Indeed, it is no exaggeration on the part of some foreign students of politics to say that the history of Chinese railways is the history of Chinese diplomacy. For the possession of a railway not only secures for the owner the influence on that railway but also the influence in the wide area traversed by it. Formerly, the European Powers occupying a river in Africa claimed occupation also of the whole valley of the river. The railways of China are like the river courses of Africa; the economic valley of the railway is entirely in the sphere of influence of its owner. Go a step further and there will be railway guards numbering practically a military garrison. These are the reasons I have

the Yangtse valley [illegible]
[illegible]
influences, and [illegible]
[illegible] upon [illegible]
[illegible]

[illegible]
[illegible]
[illegible]

deprived of her sovereign rights but the co[illegible] of other Powers. [illegible] treaty between Great Britain and Japan there was a clause affirming the maintenance of the independence and territorial integrity of China and Korea. Yet in less than three years Korea disappeared as a nation. Is this not sufficient to cause China, bracketed in that treaty with Korea, to look carefully to herself? Are these statements to be taken as mere catch words which mean exactly the opposite of what they say so that "to protect" means not to protect and to "maintain" means not to maintain? Are words indeed not to express thoughts but to conceal thoughts as Talleyrand said a hundred years ago? Perhaps it is true that the maintenance or otherwise of China's independence and territorial integrity may be of immediate concern to Great Britain, France, Russia and the United States; but it cannot be denied that the matter closely and vitally affects their industry and

equ[illegible] a gre[illegible] whether or not the four countries concerned will look on the violation of the treaties by the Japanese with indifference.

CHINA AND JAPAN.

AN INTERVIEW WITH THE FOREIGN MINISTER.

The *Shanghai Herald* publishes an interview with Mr. Lu Cheng-hsiang, the Chinese Minister for Foreign Affairs, which took place on the 4th inst. Regarding the Chinese Government's attitude towards Japan, Mr. Lu is reported to have said that although the situation was grave, a friendly settlement of the question was desired. He hoped that the European struggle will end very soon for the welfare of China.

PEACE NEGOTIATIONS.

According to a Peking telegram in the *Manchester Daily News*, dated 8 p.m. instant, the Japanese Minister, Dr. Hioki, had an interview lasting for six hours with Mr. Lu, Foreign Secretary, and Mr. Tsao, Vice Foreign Secretary, on Tuesday afternoon. According to Chinese papers, the Japanese Minister asked China for a speedy answer to Japan's demands, and the Chinese authorities intimated which of Japan's demands should be [illegible] China's part. The inclination of the Peking Government seems to be that it cannot accept all the demands but will be prepared to consider some of them. It undertook to still [illegible] Japan's demands.

"H.E. President Yuan called into His Excellency's presence Mr. Lu, Foreign Secretary, and divulged his desire to have Japan's demands assorted under four heads—those which China is willing to accept, conditionally accept, will accept at a good opportunity in future, and will not accept."

rebels, yet, if the President should decline to agree to the terms, it would find itself unable to restrain them. Nor could the Japanese Government tell what would happen should the rebels be permitted to go unrestrained.

The Japanese Minister urged that it was in the best interests of the President and the Government of China that the demands be accepted, and he is said to have declared that should the demands be refused Japan would be compelled to present harsher and more serious ones. And he enjoined the strictest secrecy. It was in the best interests of both countries, he is stated to have said, that no disclosure be made to any Power. It was suspected in Japan, he added, that China always followed a policy of befriending

WARNING TO THE OTHER POWERS.

Broadly speaking the above desires are well within the extent of the demands asked. So far details are not available, but if other Powers remain passive they will eventually find that all their past hopes and ambitions to participate in the development of this vast

...yet, if the President should decline to agree to the terms, it would find itself unable to persist them. Nay could the Japanese Government tell what would happen should the rebels be permitted to go unrestrained.

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...in every province and also in the central administration of the Government.

THE DEMANDS.

...the country.

...In Shantung she intends to secure a voice in the local administration and influence in local affairs commercial and industrial development which will close the door to other Powers and effectively close in over the area.

...In Manchuria Japan intends to secure the control of the railways and mines and to obtain the right to build a railway from Changchun to Kirin, and from Kirin to Hunchun on the Russian frontier. This would be tantamount to a monopoly of the iron and coal deposits, requiring a term like that over the Hanyang works and the deposits that they live upon, as well as the chief coal of Kiangsi and Anhui provinces. More important, she asks for railway facilities which would enable her to extract from the Hankow region to the Fukien seaboard, traffic which otherwise would be carried on these rivers, by which Britain exploits the whole, she would secure a foothold in the Yangtse Valley such as would frustrate the long-cherished desires of British statesmen and seriously challenge British commercial activities.

In Fukien she seeks to be paramount in all things of importance, and from that province she desires to extend influence to Kwangtung as well as to Kiangsi province.

In China, in general, she aims at obtaining a dominant voice in important departments of internal administration thereby establishing control on the country's finances and foreign markets will be shattered.

The Chinese officials are dumb-founded by the extent and nature of the demands; they are astounded at the procedure of Japan, and humiliated that they are too weak to resist. Above all, they are grievously distressed that they find themselves practically isolated and unable to ascertain the views of any of the great nations who have professed friendship for China, and who have large interests in their country.

Negotiations have not yet taken place with regard to the demands, but they begin on Tuesday, and unless other nations wake up they will find concession after concession being granted until Japan will have secured such a hold throughout the country that it will be impossible to oust her when they will have leisure to ascertain what they have lost.

Enc.

Handed to Mr. Mac Murray by W.R. Sale. 11 FEB 1915

January 25th, 1915.

NEWS CHICAGO. Tenseness prevails owing Japanese demands which if granted would make China practically Japan's vassal Among others Japan demands all German railway mining concessions be overhanded her granted railway mining rights Tangtze Valley uninterrupted action Fukien special rights privileges Shantung Other demands equally preposterous The deamnds unmade through Foreign Office but direct to President contrary all diplomatic procedure During audience Japanese Minister Hioki threatened if China divulged Japans demands before he given decision Japan would unattempt control Chinese revolutionaries in working Japan This coldblooded callous threat difficultest find equalled history diplomacy especially considering made direct to President Japan apparently advantaging European war to secure concessions unable secure ordinary times taking in to account Britian uptied Europe and allied thus unable to oppose measures which must materially affect her future standing Orient or give sympathetic assistance China as heretofore Japan evidently intends secure holdings in China to enable her take strong position peace negotiations termination war this being made China expense who Japan riding roughshod over onaccount unable defend hereself Interest evinced what action America takes.

January 26th, 1915.

NEWS CHICAGO. Japans attempt deal secretly with China same like Russian procedure used when Port Arthur leased when Russian threatened if China divulged negotiations Russia would take forcefuller measures Timely exposure Japans demands probably advantages China Believed should Japan oninsist demands China will seek goodoffices all

nations

nations deal case trusting their fulfilling promises guaranteeing Chinas integrity unpermitting her weakness ne advantaged Censors Japan unpermit publication telegrams expeking criticising demands or giving Chinese viewpoint Japanese Legation informed correspondent unable make statement until Tokio permitted

January 26th, 1915.

NEWS CHICAGO. Further demands include extension lease administrative powers South Manchuria greatly increasing concessions granted after Russo Japanese war railway mining special privileges Eastern Mongolia Shoukd China grant demands Japan will hold spheres of influence dominating position in Fukien South Manchuria Eastern Mongolia Yangtze Valley besides Germanys concessions Shantung and administrating great part that province conflicting other nations treaty rights Chinese Foreign Office dare not give out nature of demands fearing reprisals thus difficultest secure details.

January 30th, 1915.

Japanese Legation communicated correspondent quote you can rest assured that Government in formulating demands have taken special care avoid confliction with principles repeatedly declared by them regards China which include Chinas independence territorial integrity and to pay due respect to other powers rights privileges and will strictly adhere policy maintenance opendoor equal opportunity unquote Japans secrecy still suspicioned here because if official statement correct unreason thereof Chinese Government decided open negotiations beginning next week

January

January 30th, 1915.

NEWS CHICAGO Following tenor Japanese Minister speech when audiencing Yuanshihkai 18th Only four persons present Allowance must made flowery courteous phraseology characterizing Chinese language which more suave English My Government instructed me oncall your excellency purpose opening negotiations whichll further consolidate friendly relations hitherto existing China Japan which necessary maintenance peace Fareast Im to outpoint this great wish two countries cannot be freely realized unless certain questions likely cause misunderstanding friction are definitely settled subject matter these questions embodied this document I have honour present your excellency (refer cables) after further remarks explaining document Minister Hioki ended by reminding President that an influencial section Japanese public opinion believed he hostile towards Japan they referring among others his action which Chinese agent korea that there was a tendency this feeling spreading which Japapese authorities unable restrain unless some tangible proof given to counteract it if the points at difference be settled on terms contained in this document your excellency will have achieved this if however these questions remain unsettled they likely develope under influence the feeling to which I have already referred to the prejudice of the good relations between China Japan the gravity such development will be accentuated by the inability of the Japanese authorities to effectually interfere with the Chinese revolutionists in Japan I am to add that direct or indirect disclosures to the public of the negotiations now will be fatal to a satisfactory conclusion to China and Japan.

Japanese demands.
Negotiations between
the two Governments.

Peking,
February 15, 1915.

No. 540.

STRICTLY CONFIDENTIAL

Eas

The Honorable,
The Secretary of State,
Washington, D. C.

Sir:

Supplementing my despatch No. 538 of the 10th instant, I have the honor to report on the continuance of the negotiations between the Japanese and Chinese Governments with respect to concessions.

As reported in my telegram of February 12, 11:00 p.m., the diplomatic conference which had been scheduled for that day was postponed. I am now informed that the Chinese Government had declared its willingness to negotiate with Japan on twelve of the proposals of the latter; and had notified the Japanese Government of that fact. Negotiations were adjourned in order to give time for

time for the consideration of this proposal by the Japanese Government. On February 13th, however, the Chinese Government was informed that the Japanese Government adhered to its desire to have the entire list made the basis of negotiations: to this the Chinese are not ready to accede, as they believe that they have gone as far as the preservation of their sovereign rights and the treaty obligations to other nations will permit.

The twelve demands which the Chinese are ready to consider cover the demands regarding Manchuria, Inner Mongolia, and Shantung, together with a general non-alienation manifesto affecting the entire coast line of China.

Two demands with respect to Manchuria have been excepted: the control of the Kirin-Changchun Railway and the obligation not to pledge local revenues of Southern Manchuria and Inner Mongolia as security for any public loans without the consent of Japan. It is, however, likely that the Chinese would ultimately grant all the demands relating to Southern Manchuria, Inner Mongolia, and Shantung. In so doing, they would pay an enormous price for the uninvited assistance of Japan in "restoring Tsingtau".

The fact that the Chinese Government notified the Government of Japan that the permission to use a large part of the Province of Shantung for military operations would now be withdrawn, since the occasion for such use had disappeared, has been represented by the Japanese as being a calculated and malignant insult to Japan. As the permission to use the eastern part of Shantung for

military

military purposes was given in connection with the attack upon Tsingtau, which has now been completely conquered, the withdrawal of such permission would appear a very natural thing.

Aside from this pretended discourtesy, no reason has been assigned why these unprecedented demands should be made upon China, nor has any <u>quid pro quo</u> been mentioned.

As it was reported here that a Memorandum concerning the demands had been handed by the Japanese Foreign Office to the Embassies in Tokyo, I requested the American Ambassador there, under date of the 9th instant, to inform this Legation as the knowledge might be of great value in understanding the situation here. On February 11th, Mr. Guthrie replied that I was to be given a copy of the Memorandum by the Japanese Minister at Peking. It appeared to me that in the absence of any intimations of a contrary intention on the part of the Department, it would be highly inadvisable for this Legation to assume vis-à-vis the Japanese Legation any cognizance of the demands which the latter is known to be urging upon the Chinese Government: and I so informed the American Embassy at Tokyo on the 12th instant, at the same time requesting a copy of the Memorandum by telegraph. Late in the afternoon of February 13th the Japanese Minister called at my residence during my absence. I returned the call during the forenoon of yesterday (14th), when Mr. Hioki handed to me the Memorandum, of which a copy is enclosed. On the same day I received from the Tokyo Embassy by telegraph the text of the same memorandum. The Japanese Minister stated that the Memorandum had been given to

the

the Department: I received it from him without comment either on his part or on my own.

It now appears that the demands which have thus been notified to the United States, and presumably to other Powers, are those from among the demands submitted to the Chinese Government which are in themselves less objectionable than the others and which, as reported above, the Chinese Government, after a careful analysis of the demands, had decided to negotiate upon with the exceptions already stated. From outward indications and from all the implications of the matter, it would now appear that the Japanese Government probably considers these demands as the maximum which it is ready to avow to the other Powers at present and as a minimum which it desires to enforce upon the Chinese Government. The additional demands which the Chinese Government has been asked to consider include the following:

That the Chinese Government will engage itself not to permit foreigners to operate mines in the neighborhood of the Hanyehping Company's mines, nor to permit any enterprise which may affect the Company's interests directly or indirectly, without the consent of the Company;

That the Chinese Government must engage effective political, financial and military advisers from among the Japanese;

That the Japanese are to be permitted to carry on missionary work and that their hospitals, temples and schools are to have the right to own land in the interior;

That there is to be a joint organization by Chinese and Japanese of the police forces in important places;

That at least one-half of the required amount of arms must be purchased from Japan, or that Chinese arsenals must be put under Japanese engineers;

That railway concessions between Foochow and Wuchang, with various branch lines are to be granted to Japan;

That

that Japan must be first applied to when foreign capital is needed for the construction of railways and ports and for the development of mines in Fukien.

The above is a statement of the substantial contents of the remaining demands, as ascertained from the most reliable sources and as generally accepted to be true in Peking.

The Chinese have made a classification of the demands, separating those which might be conceded from those that would infringe treaties and those that would abridge the rights of sovereignty. While they acknowledge no obligation whatever to make any grants to Japan at the present time, they are willing, nevertheless, in order to assure peace and friendly cooperation, to make the most far-reaching concessions consistent with national independence and treaty rights. In the future the Chinese Government will endeavor to adhere to the policy that concessions shall cover only specific enterprises or activ- confined to expressly delimited areas, which shall be commensurate with the scope of the respective undertaking, and that they will avoid all arrangements for a general preference or for options carrying contingent implications. Exceptional arrangements may have to be made in the regions of Manchuria and Shantung where unfavorable precedents exist; but it is hoped that by adhering to the policy above outlined, the principle of equal opportunity may be maintained even these in legal form, and in other provinces in substance.

The further extension of the régime of Manchuria and of Shantung to other provinces would be considered as threatening the disruption of

China

China for the reason that if such preferences were granted to one country, other governments would demand similar preferences in other provinces. The Chinese Government believes that this consideration may, when prominently brought to the attention of the Japanese Government, cause it to modify some of its proposals.

It was reported yesterday that the LONDON TIMES had published an editorial qualifying the Japanese proposals as reasonable and worthy of acceptance. It is here understood among Chinese officials, as among others, that this approval relates to the least objectionable of the demands which were confidentially notified by Japan to the Powers. Chinese officials are very apprehensive lest a ready acquiescence to these demands might encourage Japan to press more strongly for the acceptance of the further proposals which have been notified to China, but not th the Powers. The situation as it has developed up to day is, therefore, that the demands which Japan has made upon China and which it has notifia d to the Powers are likely to be accepted almost completely by China, although they constitute a grant of unprecedented extension and importance. The question now in the balance is whether Japan will accept this concession, or whether, being assured of so much and having satisfied the Powers that her demands so far are reasonable, she will utilise the leverage thus obtained to force China to accept still more far-reaching demands, of which the Chinese Government, but not the Powers, has been notified. The present intention of the Chinese Government is to abide by the offer of concessions now made, and to steadfastly

maintain

maintain the position that further grants would impair treaty rights and national sovereignty. Should strong measures be threatened, the Chinese Government will publish to the world the concessions which it is making to Japan and a full account of the further demands which are being urged. Should the Japanese Government accept the concessions offered, the further demands will be treated as if they had never been suggested and no official cognizance will be taken of them beyond the general expression of opinion with regard to them which was given by the Chinese Minister for Foreign Affairs at the diplomatic conference of February 5th.

Referring to my telegram of February 12, 9:00 p.m., I beg to enclose a copy of the telegram which was sent to the Associated Press, on the 11th instant, by its correspondent here (Mr. Frederick Moore), and which was handed to the Legation subsequent to its transmission.

I beg to repeat the requested made in connection with my No. 538 of the 10th instant that this report be considered as in the highest degree confidential.

I have the hohor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

As stated.

800.

A true copy of the signed original.

COPY.

Strictly confidential.

I. In relation to the Province of Shangtung:-

1. Engagement on the part of China to consent to all matters that may be agreed upon between Japan and Germany with regard to the disposition of all rights, interests and concessions, which, in virtue of Treaties or otherwise, Germany possesses in relation to the Province of Shantung.

2. Engagement not to alienate or lease upon any pretext the Province of Shantung or any portion thereof, and any island lying near the coast of the said Province.

3. Grant to Japan of the right of construction of a railway connecting Chefoo or Lungkou and the Tsinan-Kiaochou Railway.

4. Addition of open marts in the Province of Shantung.

II. In relation to South Manchuria and Eastern Inner Mongolia:-

1. Extension of the terms of lease of Kwangtung, the South Manchuria Railway and the Antung-Mukden Railway.

2. (a) Acquisition by the Japanese of the right of residence and the ownership of land.

(b) Grant to Japan of the mining rights of the mines specified by Japan.

3. Obligation on the part of China to obtain in advance the consent of Japan before she grants railway concessions to any third Power, procures the supply of capital from any third Power for the construction of a railway, or raises from ant third Power a loan on security of any duties or taxes.

4. Obligation on the part of China to consult Japan before employing Advisers or Tutors regarding political,

financial

financial or military matters.

5. Transfer of the management and control of the Kirin-Changchun Railway to Japan.

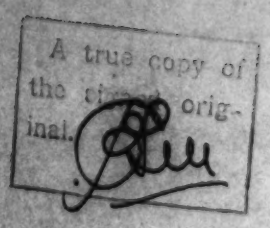
III. Agreement in principle that, at an opportune moment in future, Hanyehping Co. should be placed under the Japanese and Chinese co-operation.

IV. Engagement, in accordance with the principle of maintenance of the territorial integrity of China, not to alienate or lease any ports and bays on, and any island near the coast of China.

Note:-

Handed to the American Minister by the Japanese Minister on February 14th, 1915.

/s/ PAUL S. REINSCH.



Received to mail by Moore, Feb. 11th, 1915.

File

February 11, 1915, 3:00 a.m.

ASSOCIATED
NEWYORK

THURSDAY 335

Although following lacks important details for instance number Japanese officials to be employed its substantially body of Japanese demands no section China's coast or island off coast shall hereafter ceded leased another Power China must employ Japanese in high official positions in army police financial departments China may call upon Japan alone for preservation her integrity no foreigners but Japanese may employed in arsenals at least half arms and ammunition hereafter purchased must from Japan Japan will establish arsenal in China China must grant Japan same privileges as other nations to establish schools churches hospitals missions and to purchase lands therefor stop In Yangtze Valley which British formerly considered their sphere influence Japan requires joint control with Chinese of Hanyang ironworks Tayeh mines Pinghsiang colleries China may grant no competing concessions to other foreigners railway concessions are demanded from Nanchang to Chaochowfu Nanchang to Kukiang Nanchang to Wuchang Nanchang to Hangchow stop In Fukien Province where Japanese lay special claim because proximity Formosa they require exclusion other foreigners from future railway mining dockbuilding concessions unless by Jpanese consent stop In Shantung besides transfer all German rights Japanese demand special concessions including railway from present line to northern coast stop In innter Mongolia exclusion other foreigners from future mining railway rights except with Japan's consent stop In Manchuria

extension

Received to mail by Moore, Feb. 11th, 1915.

February 11, 1915, 3:00 a.m.

ASSOCIATED
NEWYORK

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extension

extension present railway territorial leases to ninety-nine years stop In both Mongolia Manchuria privilege of immigration farming well as trading population with rights settlement land ownership all railways demanded must under Japanese not Chinese control stop British papaers published Far East suggest Japan breaking terms of Alliance while Japanese papers criticise in some cases violently accusing British of having profited by Alliance and being selfish in Japan's natural sphere strained relations between these Allies began when Japanese entered War and British sent fifteen hundred men to participate Tsingtau siege which some Japanese publications considered not assistance but interference stop Chinese Government pardoned Sunyatsen Hwanghsing other rebel leaders offered them high official positions if willing return and declare loyalty stop To allay Japanese charges that Yuanshihkai's Government antiJapanese cabinet will reconstructed

MOORE

Sino. German Agreement.
Railways in Shantung.

Peking,

No. 541. February 15, 1915.

CONFIDENTIAL

877

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

Referring to previous correspondence in which I have had occasion to refer to the signature (on December 31st, 1913) of a Sino-German agreement concerning railways in Shantung, of which the precise terms had not been divulged, I have the honor to transmit herewith for the confidential information of the Department a translation from the German text of that agreement as recently communicated to the Second Secretary of this Legation in strict confidence by the German Chargé d'affaires.

The terms of this agreement, extending and modifying the railway rights conceded to Germany by the Second

Section

Section of the Convention (of March 6th, 1898) for the lease of Kiaochau, is of particular interest in view of the claim of the Japanese Government to be subrogated to all German rights in Shantung, as reported in my recent telegrams and in my despatches Nos. 538 and 540, dated February 10th and 15th, respectively.

It may be noted that the Belgian Railway Agreement, to which reference is made in heading (c) of Article III, is the loan contract signed at Peking on September 24, 1912, between the Chinese Government and the Compagnie Générale de Chemins de Fer et de Tramways en Chine, for the construction of the Lung-Tsing-U-Hai Railway, of which a copy was transmitted to the Department with the Legation's despatch No. 746 of February 18, 1913 (see also the Legation's No. 637 of October 12, 1912, and No. 825 of April 24, 1913).

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosure:

As stated.

877.

A true copy of the signed original.

(Translation)
(from German)

~~CONFIDENTIAL~~

Peking, December 31, 1913.

Note of the Minister of Foreign Affairs, Mr. Sun Pao-ch'i, to the German Minister, Herr von Haxthausen.

On the basis of the negotiations between myself and the Minister of Communications on the one hand, and yourself, Mr. Minister, on the other, an agreement has been arrived at between the Governments of the Chinese Republic and the German Empire concerning the construction of a railway from Kaumi to Hantschuang and for the construction of the so-called Tsinanfu-Shuntefu Railway, and containing the following general principles:

I. The Chinese Government binds itself to construct a government railway through Shantung, starting from Kaumi (KAOMI) and proceeding by way of Ichowfu and Ihsien (YIHSIEN) to Hantschuang (HANCHWANG), where it is to be connected with the Tientsin-Pukow Railway; however, a change from the point of connection - Hantschuang (HANCHWANG) - which has been previousl fixed shall be considered should, after the definitive determination of the alignment, technical difficulties appear which would render inadvisable the connection of the two lines at this point. The construction works for this railway are to be immediately begun after the conclusion of the loan contract and shall be carried on to completion without interruption, unless there should occur a delay in supplying funds or other unavoidable impediments.

II. The Chinese Government binds itself to construct a government railway from Tsinanfu, in the direction of the Peking-Hankow Railway: Tsinanfu is to be the starting

point

point of this line. As a terminal some location between Shuntefu and Hsinhsiang (SINSIANG) Hsien will be selected.

III. With respect to these two railways, the following points are agreed upon:

(a) The Chinese Government is ready to entrust the construction of these railways to a German group for the account of the Chinese Government, to be carried out with German capital and German materials, under the management of a German engineer-in-chief.

(b) The selection of the group to be entrusted with the construction work is to be made by the Chinese Government, but it agrees to make such selection from among German companies fitted for such an enterprise which the German Government will nominate.

(c) The Chinese Government declares its readiness to accord to the German Government for the two railways to be constructed the complete conditions of the Belgian Railway Loan treaty of September 24, 1912, and particularly to emplpy a German manager, a German chief engineer, and a German chief auditor, all of whom are to retain their functions also after the completion of the rail-way, throughout the duration of the loan treaty. Both railways will be placed under the Ministry of Communications, and the connection between this Ministry and the officials mentioned above will be represented through a Chinese official.

(d) The Chinese Government will entrust the control of the expenditure of the proceeds of the loan not to the engineer-in-chief, but to a special auditor of German nationality.

(e) The Chinese Government further declares its

willingness

willingness to give to these two railways ipso jure all privileges which, beyond the conditions enumerated above, it may give to other nations in future agreements concerning the construction and operation of railways.

IV. The Imperial Government returns to the Government of the Chinese Republic the special rights of option which Germany has concerning the railways from Chenting to Têchou and from Kaifengfu to Yenchowfu. With respect to the latter line, with express reservation of the general rights resulting from the German-Chinese Treaty of March 6, 1898, Part III.

V. The Imperial German Government will immediately after the exchange of this Note, containing the above provisions, ratify through a separate note the agreement concerning mines concluded at Tsinanfu on July 24, 1911, between the Provincial Government of Shantung and the Shantung Mining Company.

The Imperial German Government relinquishes the railway concessions to which, under Part II, Article 1, of the German-Chinese Treaty of March 6, 1898, Germany is entitled, with the exception of the Tsingtau-Tsinanfu Railway, which is already completed.

In order to record the conclusion of this agreement, I have exchanged with His Excellency, the Imperial German Minister, Herr von Haxthausen, an identical note of the preceding contents.

(signed) SUN PAO-CHÊI
Seal of the Wai Chiao Pu.

His Excellency
The Imperial German Minister,
Herr von Haxthausen,

* spelling as per Chinese Postal Guide

Copy for the Legation at
Peking, China.

Political Conditions

19 - MAR 1915

Amoy, China, February 18, 1915.

SUBJECT: POLITICAL CONDITIONS, JAPANESE ACTIVITY.
CONFIDENTIAL.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

No.

I have the honor to inform the Department that the Formosan Chinese, who are Japanese subjects, residing in Amoy, have, for many years, been members of an Association known as the Tai Wan Club, which is political in character. Recently the Chinese Government, in an effort to obtain funds, within the Chinese Republic, for the use of the Central Government, authorized the sale of "Premium Bonds" by the Sin Hua Deposit Bank of the Republic of China. The system consists of the sale of a number of Bonds of 10 coupons each which represent a face value of $10.00 Mexican currency per bond or $1.00 for each coupon, all coupons of each bond bearing the same number. These bonds are sold for their face value and bear no interest and are to be redeemed within three years. During this period there are to be three annual drawings for prizes, the highest prize being $100,000. for a complete bond or if sold separate $10,000. for each coupon and in addition there are numerous smaller prizes. If a bond

draws

draws a prize it is to be immediately retired and the principal is not repaid but on the other hand if after the three annual drawings a Bond fails to draw a prize the original capital, without interest, is to be returned. The prizes are paid from the accrude interest on the funds received from the sale of Bonds. Aside from its object as a means of raising funds for the running of the Government it enables small investers to save their money and with no risk except loss of interest on their savings to participate in an opportunity of winning a considerable sum of money. From this it will be seen that the obnoxious feature of lotteries, in which the principal may be lost, has been omitted and there are many arguments in favor of the scheme, particularly as it will give China a means of raising an internal loan at a time when it is impossible to borrow from Europe.

From a secret circular which has come into my possession, copy and translation of which are herewith enclosed (Enclosure No. 1.) it appears that the Japanese Consul at Amoy has instructed all Formosan Chinese to abstain from purchasing these Bonds and threatening them with either three months imprisonment or a fine not exceeding $100.00 for disobedience to the order on the ground that the premium bonds "are detrimental to public peace and injurious to society".

It is presumed that the order from the Japanese Consulate did not originate in Amoy and if this assumption is correct similar instructions would be issued to all Japanese in China and would undoubtedly considerably

ably interfere with the success of the Chinese Government's schemes to raise funds. The significance of the order is, however, more apparent in Amoy than in any other part of the Republic as there are many thousands of Formosan Chinese who are Japanese subjects residing in this District and a considerable number of them are men of wealth who look upon China as their country but for financial reasons, being property owners and having large interest in Formosa, are compelled by the Japanese Government to become Japanese subjects and the enforcement of the order will prevent many of these men from rendering financial aid to China at a time when she needs it most.

During the past few months there has been a considerable influx of Japanese into this District. They are noticeable in the streets of Amoy and Kulangsu and from reports received from interior cities it is clear that they have spread throughout the Province. An American who is now residing in Amoy and who was formerly a resident of Japan recently informed me that he met, in Amoy, a Japanese army officer with whom he was well acquainted in Japan. This officer was dressed as a laborer and when addressed by my informant was considerably embarrassed at being recognized and after promising to call upon his former friend on the following day hastily departed and it is needless to say did not pay the promised visit. It is believed that this is not an isolated case but other army officers and secret service agents are in all ports of the District keeping the Japanese authorities informed so as to be

prepared

prepared for any eventuality.

I have the honor to be,

Sir,

Your obedient servant,

Robt. Maynard

AMERICAN CONSUL.

Enclosure:

No. 1. Copy and translation
of secret circular No.5.

800

copy of
ned orig-
K.J.

AMERICAN CONSULATE,
AMOY, CHINA.

Enclosure No. 1 in despatch
No. — of Feb 18, 1913

臺灣通第五號

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大日本帝國領事館公認 臺灣公會印

Translation.

Circular No. 5. to all Formosan Subjects.

The Premium Bonds sold by the Sin Hua Deposit Bank of the Republic of China are similar in principle with lottery tickets. This Association has received an order from the Consul to the effect that persons selling or buying, or, giving or receiving, these bonds are liable to punishment as provided for in the penal law No. 20 promulgated by the Nei Wu Shen (內務省) (Home Office) in the 42nd year of His late Majesty Ming Chih (明治). This Association desires, therefore, to call to the attention of its members the order and begs to quote the law of the Nei Wu Shen (內務省), No. 20, as follows:-

"Raffles, or things of the nature of a lottery or scheme for the distribution of prizes by lots, or subscribing and alloting by chance, which are detrimental to public peace and injurious to society, may be prohibited or restricted by sub-Prefects, Prefects or Hsien District Magistrates".

Persons disobeying the order to prohibit or to restrict the same are liable to penal servitude for three months or to a fine not exceeding One Hundred Dollars. Those knowing the law but not observing it and who give lots away as presents, or promising a consideration for a chance to win prizes, or engaging in a raffle, or winning prizes through a scheme similar to raffling are liable to the punishment.

The law was promulgated on the 15th day of the 10th moon

moon of the 42nd year of Min Chih (明治) to cancel the law No. 26 promulgated by the Nei Wu Shên (內務省) on the 33rd year of Min Chih (明治).

Tai-Wan Club.

(Seal)

(Seal of His Imperial Japanese Majesty's Tai-Wan Club.)

Desp. No. 38.

Chinese-Japanese Relations

AMERICAN CONSULATE GENERAL,

MUKDEN, CHINA.

Sub. .....

Read. .....

February 18, 1915.

Ref .....

A. .....

CONFIDENTIAL.

SUBJECT: Chinese-Japanese Relations.

Honorable Paul S. Reinsch,

American Minister,

Peking, China.

Sir:

I have the honor to report that at an interview with the Civil Governor yesterday I was informed that popular feeling here is aroused over the recent demands of the Japanese, in consequence of which several meetings were held in the Governor's yamen during the past few days by representatives of the different local societies to discuss the demands and decide upon a course of action. It was decided to telegraph the President, urging him not to accede to the demands. The President replied advising the people to be calm, and promising to do his best to uphold the dignity of the Government and preserve the territory of the country. The President has also telegraphically warned the military authorities here not to show on their own part or permit on the part of the populace any sign of ill feeling against the Japanese, as it may lead to political disturbances.

I was also informed that the Japanese Consul General had called on the Civil Governor and departed just prior to my arrival. According to the Governor, the Consul General inquired as to the prevailing attitude of the Fengtien people on the political situation, and at the same time endeavored to

ascertain whether any of the other Consuls had approached him on the subject. The Governor stated that he politely replied that the people of Fengtien are not sufficiently educated to realize the importance and consequences of these demands; also that the Consuls other than the Japanese apparently do not care to ask such questions, the matter being one that does not concern them.

The Civil Governor further told me that the local Chinese newspapers were warned to refrain from making any comments upon the situation for fear that the Japanese might take some high-handed action, such as closing up their offices and imprisoning the proprietors. The Governor added that there were instances under similarly trying circumstances in the past when editors and proprietors were thrown into the Japanese consular jail, where they were tortured. The newspapers are strictly carrying out the Governor's injunction.

The Civil Governor believes that those demands which are not of vast importance will have to be acceded to, as China is not in a position to engage in conflict with Japan at present, unless other powers should intervene which he thought a very unlikely contingency, as the leading ones interested in China, except America, are engaged in the present European war. He professed to know nothing of the reported counter-demands of China upon Japan.

I have the honor to be, Sir,

Your obedient servant,

P. S. Krieghbaum

Consul General.

700.

H/Fa.

Copy sent to the Department of State.

AMERICAN CONSULATE GENERAL

Shanghai, China. February 20,1915.

Japanese demands

Subject: The Japanese Demands on China.

23 FEB 1915

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to supplement previous despatches, on the above general subject, by appending a self-explanatory clipping from yesterday's issue of the NORTH-CHINA DAILY NEWS (British), of this city:

A REVOLUTIONARY DECLARATION.

To the Editor of the "NORTH-CHINA DAILY NEWS."

SIR,—Our nation is in very serious danger owing to the complications between China and Japan.

The Japanese have used the activity of the revolutionaries to intimidate the Central Government and to gain their objects as demanded. If their demands are accepted, our nation will perish.

Our party has always taken the national interest into our foremost consideration. If beneficial to our nation, what sacrifice would we not make?

Members of our party in Shanghai have met and decided to circularize our partisans every[illegible] to dissolve our organizations temporarily and discontinue our activities.

Whatever discussion or insinuation may be made outside, be certain that it is far from our true sentiments.

Kindly insert this in your valuable paper.

We are, etc.,

THE REVOLUTIONARIES RESIDENT IN SHANGHAI.

Shanghai, Feb. 14.

*** The above is a translation of the original Chinese letter that reached us through the post.—Ed.

Prominent Chinese, including both those who are in official life and engaged in business, convey to me the expression that, considering China's present condition, it is in order for them to favor a policy of non-resistance and

and to acquiesce, in fact, in Japan's demands until such time as they may be prepared to effectively support such an adjudication and adjustment as may seem proper.

On the other hand, however, a large share of the Chinese support the expressions contained in the enclosed editorial leader as appearing in this morning's issue of the CHINA PRESS (American).

The Japanese Consul-General has repeatedly stated to me that his Government did not intend to interfere with China's territorial integrity. As heretofore pointed out on many occasions, I believe, for obvious reasons, while seeking commercial and other preponderance of influence in China, Japan will not, in any defined sense, at least for the present, resort to territorial aggression. As far as I am aware, the lands taken by Japan in Manchuria, in connection with the development of its policy following the Russo-Japanese war, for residential and industrial purposes, have never been officially certified by the Chinese Central authorities.

At the time I proceeded to Mukden and Antung in connection with carrying out our treaty of 1903 respecting the opening of these ports, I indicated in my despatches and reports my belief that Japan particularly desired to secure unlimited privileges in the ownership of land in China for residential and other purposes. Owing to considerations of propinquity and the eagerness of the Japanese to exploit commercial pursuits in China, a policy of this kind, will ultimately, give the Japanese a commanding foothold here.

And

And while any demand which Japan may now be making for the right to own land in China may be, under the favored nation clause, enjoyed by all other nations, nevertheless, under existing conditions, the Japanese would chiefly benefit and profit thereby, without, possibly, in any defined way interfering with China's territorial integrity.

I have the honor to be, Sir,

Your obedient servant,

Thomas Sammons

American Consul-General.

Enclosures:

Editorial clipping from the CHINA PRESS (American), of Shanghai, of February 20,1915.

Copy of this despatch, together with enclosure.

Copies to the American Legation at Peking and to the American Embassy at Tokyo.

VLO
8/4.

Enclosure with Shanghai Consulate General despatch (File No.710), dated February 20,1915, to the Department of State.

EDITORIAL CLIPPING FROM THE CHINA PRESS, SHANGHAI, OF FEBRUARY 20, 1915.

SHANGHAI, FEBRUARY 20, 1915

PROGRESSIVE AND IMPARTIAL

Resist ! !

LITTLE by little the character and scope of Japan's demands on China are revealed. The summary telegraphed from Peking by *Reuter's*, which we published yesterday, does not give any new information, but it provides another confirmation of what has been known before.

The more significant points relating to these demands are:

(a) They were pressed upon China at a time when all the great Powers that, in ordinary times, might intervene, from their own interest, in China's behalf, to obstruct Japan, are engaged in war among themselves.

(b) The demands were made secretly, by the Japanese minister at Peking. The Japanese Government, on its own side, instituted a press censorship in Japan, and would not permit news about the matter to be published, while, in news telegraphed out of Japan for publication abroad, a false impression was given.

(c) The other Powers whose interests will be vitally affected, were not previously informed by Japan of her actions and intentions: and Japan strictly enjoined the Chinese Government, under menace, not to publish any accounts of the matter, or reveal it confidentially, thus trying to enforce secrecy upon China.

(d) Of Powers directly interested in preserving the territorial integrity of China, and the principle of equal commercial opportunity in Chinese territory for foreigners, and obligated by treaties to maintain these doctrines—Great Britain, France and Russia have given plain intimations that they acquiesce with both the spirit and method of Japan's acts.

(e) In general scope and character, Japan's demands, if conceded, would amount to the establishment of a Japanese suzerainty over China.

WITH persons familiar with conditions in the Far East, it is wasted effort further to elucidate the meaning of these moves. With persons who are not familiar with these conditions, and the vast forces bound up with them, it is useless now to elucidate them, for the meaning will not penetrate indifferent minds.

Many morals can be deduced from these circumstances, but one will do that will apply to every nation in the world—the security which is dependent upon externals, whether beneficent altruism, or mutual jealousies, or treaties, is as fragile as paper on which treaties are written. The only real security for nations must spring from within, and rest on their own ability to make it good.

China has not this kind of security, therefore she has no security at all from the brutal aggressions of Japan. Nevertheless, she should resist with every force within herself contained—resist passively, stubbornly — but RESIST.

T. F. M.

China's Thibetan Campaign.

No.99

AMERICAN CONSULATE.

Chungking, China, February 20,1915.

Subject: Futility of China's Thibetan Campaign.

Hon. Paul S. Reinsch,
American Envoy Extraordinary and
Minister Plenipotentiary,
Peking.

Sir:-

I have the honor to enclose herewith a copy of my despatch of February 12th to the Department with regard to subject above mentioned.

I have the honor to be,

Sir,

Your obedient servant,

E. Coleton Baker,

Consul.

Enclosure: As above.

800.

Chungking, China, February 18, 1915.

Futility of China's Thibetan Campaign.

I have the honor to refer to the numerous reports which have been sent from this office during the last three years with regard to the Thibetan situation which has engaged the serious attention of the British and Chinese authorities both separately and conjointly.

Both Great Britain and China have made great sacrifices on account of their Thibetan policies and there are many competent observers who believe that neither the present nor future advantages to either country justify the [illegible] which each has sustained. China has lost money, troops and commerce in the devastating war which she has carried to the borders of Thibet. Great Britain has to a great extent lost the confidence and good-will of the Chinese, and it can not be doubted that this will prove a serious handicap in future negotiations either with regard to Thibet or any other subject which may come up for discussion.

Great Britain has not only prevented China from extending her sovereign rights over Thibet but has even placed obstacles in the way of her exercising the rights of suzerainty which she undoubtedly possesses. As stated in my General report of November 1st, 1912, "Admitting China's

right to only exercise suzerainty, however, it can not necessarily be said that China has not the right to send troops to uphold and maintain this limited authority, for the right to exercise authority, however limited, carries with it the right to adopt forceful means if necessary to secure it." This view was expressed as follows in an article which was published in the following year by THE TIMES OF INDIA: "If China is to be held to the full discharge of her suzerain power, then she must be left free to take what steps she thinks necessary in order to secure respect for her authority in Thibet." If this opinion is so frankly expressed by even a British paper it is not surprising that the Chinese hold very strongly to this view of the case, and it is not strange that many Chinese resent the interference of Great Britain in connection with the expedition which was sent from this province to the Thibetan frontier in 1912. It is probable, also, that the failure of this expedition will be ascribed in part to the steps which Great Britain took at that time.

That the Thibetan expedition, which was started with such great enthusiasm, has miserably failed is only too apparent. While announcements from Peking endeavor to convey an opposite impression, the facts in this regard can not be held back indefinitely. On the 19th ultimo I reported with regard to the revolt among the Chinese troops on the Thibetan border. I am convinced that the disturbances therein described have not been quelled. I notice, however, that a despatch from Peking on the 10th ultimo contains the following item: "The Governor of Szechuan reports the suppression of the disturbances on the Szechuan-Thibetan borders, adding that the districts of Batchiuliu and Hsiangcheng are now at peace. Ringleaders have been captured and punished according to law."

As long ago as September 9, 1912, I ventured the following prediction: "If a sufficient number of troops to invade Thibet reach the border it will be surprising, and if they actually go any distance into Thibet, it will be truly remarkable in view of their performances to date which are not very promising, to say the least." Information with regard to the Thibetan expedition was contained in despatches dated July 24, 1912, September 9, 1912, November 1, 1912 and February 10, 1913. The man who is chiefly to blame for the failure of the Thibetan expedition is Yun Tatuh. As previously reported, he did not press forward when he could have done so to great advantage, and failed to follow up the few victories which his troops gained. As a tactician he resembles in certain respects the late General George B. McClellan who stated that his deliberate plan was to "display such an overwhelming strength as will convince all of our antagonists, especially those of the governing, aristocratic class, of the utter impossibility of resistance."' It happened that the Thibetans - like General McClellan's antagonists - were not at all dismayed by the show of force which was made. By judicious retreats and by harassing the Chinese troops and destroying their means of communication they succeeded in defeating them on several occasions and caused many of them to be left stranded in the hostile country among the most adverse conditions imaginable. The Chinese troops, therefore, accomplished next to nothing and China's authority over the Thibetans border has not been regained.

Not only has China's program respecting Thibet been futile as regards immediate results but the whole idea which China has in subduing the Thibetans and occupying the country is likely to be futile as regards the future. Thibet to the Chinese is a cold, barren and inhospitable country which

...ssh is not adapted in any way to their habits and mode of ...ing and it is doubtful if even a successful conquest of ...bet by China would be worth the trouble and expense which ...e would necessarily involve. The reasons for this statement ...e explained very clearly in an article which was prepared ...r the TIENTSIN-CHINA HERALD by its correspondent at Tachienlu. ...s exposition of the subject is very illuminating indeed ...I am quoting it as follows in its entirety:

" CHINESE RULE IN TIBET.

The uselessness of the Hermit Kingdom.

...t China's present conquest of Tibet what are her aims? Does ...bet want Chinese government? Is she labouring under the ...ount's rule or despotic lordship? Is she crying for deliver-...ce from the heavy yoke of bondage? Is it religious freedom ...r intellectual emancipation she is now crying for? Is Tibet ...able to control her own affairs, and thus leave herself open ...r conquest? Is she unable to govern her subjects in a peace-...l and civilised manner? Wherefrom comes the cry or cause ...r China's present military campaign or conquest?

Is China seeking to develop within Tibet principles ...at herself has proved effective in her own development? Is ...t Tibet's good or more conquest? Is she seeking to tap an un-...own spring of hidden wealth? Is it for the purpose of colon-...ation, the enlargement of her own border or merely to gratify ...piring officials in search of sinecures?

A Wild Waste of Life.

Surely China must have some definite aim or clearly ...fined object in her conquest of Tibet; involving as it does ...a long and arduous campaign and tremendous expense, both in ...me and money. Two military campaigns have already proved ...ve bubbles. Money has been spent and misspent. Lives have

[illegible] and ruthlessly exercised. Nothing had been [illegible]. Tibet is once more on China's agenda and re-[illegible] is not the cause. H. E. Chao devastated, subjugated and conquered Eastern Tibet. His campaign engendered much [illegible] feeling amongst the Tibetans, but it also brought to them [illegible], freedom and civilisation they had never known before. [illegible], however, was very soon swept away and the Lamas and native chiefs once more held sway. Undoubtedly Chao's cause was a just one, and he certainly accomplished a great work. Unfortunately the Revolution took from it its stability and permanent value. The work of years was disorganised and finally overthrown. It lacked Tibetan sympathy and therefore died.

Again Eastern Tibet was devastated. This [illegible] brought a large army to the border and once more Eastern Tibet was overrun by Chinese soldiers. Tibetan lamaseries, temples and palaces fell before this army. Subjugation seemed once again to be the order of the day and quiet reigned throughout this troubled country.

The Storm Breaks.

It was the quiet before the storm. Soon the tempest swept round with greater violence than before and China was once more driven out in no mean manner: the Tibetans rose to a man and armed to the teeth. They surrounded thousands of Chinese soldiers, disarmed them and mercifully sent them home. The Tibetans, united, well-equipped and well-armed, very soon defeated an undisciplined, disorganised and untrained army. This great military expedition proved an absolute failure. Men, money, time and talent seemed to be at its disposal, yet success never came its way.

This campaign was well known as the Paper Dollar campaign. The Tibetans very much dislike paper currency;

...ortion so greatly and is so easily burned and in Tibet is of ...ue. Roger Money carried the last expedition to the border, ...ed no further.

Are the Tibetans crying for deliverance from some ...ssible despot; are they under bondage to some cruel tyrant; ...e there a cry for help and emancipation? If so, why don't ...ey welcome China's proffered help and assistance? Why be so ...pposition when such gracious help is offered? Why should they ...e stubbornly resist and drive from their country those who ...e so freely coming to their assistance? One wonders why, and ...ays wondering.

The Home of Liberty.

Tibet is a free country. The Tibetans breathe freely the pure mountain air. There is no tyrant's rule or despot's lordship. Its people are virile, brave and free. The high mountains and wide plateaux give them home and posture; their large herds supply their food. They enjoy a freedom very few nations enjoy. They are encumbered by no regal laws. No ...rsistent government disturbs their tranquil lives; no magisterial authority breaks the monotony of their somewhat romantic existence. They live and let live. Disturb them, and you disturb a man who loves his country; put them under law and bondage and you will meet with strong and stubborn resistance.

The Tibetan loves his country and loves it dearly. He lives in no particular part of it and therefore loves it all. Tibet, with all its rugged mountains, barren plateaux, wide grass lands, rushing torrents and snow-capped heights, is still home to the rough and rugged Tibetan. It may sometimes give him very crude shelter and afford little protection from its biting winds. Yet the land is dear to him and he enjoys its freedom. The Tibetan cries neither for deliverance, protection or emancipation; he enjoys them all in his wild native land. If China wants to rob him of his liberty and freedom then the

nation is prepared to fight to the bitter end. The cause, then, for the military conquest comes not from Tibet.

China's Educational Work.

Perhaps China has some other and more benevolent purpose in her conquest of Tibet. She may be seeking to develop within that land principles she herself has proved effective in her own development; she may be extending the right hand of fellowship. She may desire for Tibet the intellectual attainments and civilization she herself enjoys. Certainly Chao Erh-feng sought to extend to the people of Eastern Tibet the nourishing influences of Chinese learning. Schools were established throughout the subjugated territory and the number of boys under the instruction was greatly restricted. In doing this Chao incurred the displeasure of the Lamas and shortly after his withdrawal from Eastern Tibet all his scholastic work was swept away.

As a nation Tibet is by no means ignorant of letters or learning. Seventy per cent of the people can at least read and write. Many Tibetan ladies are well up in letters and there are quite able to transact all the business of a large tibetan house. They can also read Chinese and a good deal of the trade between China and Tibet is in their hands. The Tibetan lady is in many ways a capable and cultured woman.

The Learned Lama.

Does the truculent Tibetan Lama want Chinese learning? Are the civilising influences of his own books nothing to him? Does the high ethical teaching of Gautama have no effect on his moral life? The books he reads and studies from morning till night, containing much of the religious instruction China has appropriated to herself; are they more hieroglyphics and nothing more? The Tibetan Lama may be petulent

...ssionment, but he is not ignorant or living in savage bar-
...barism.

He enters the lamasery at a very early age. He per-
...forms many menial tasks before entering the priests' school.
A long course of sacred study is mapped out for him. His life
in the scholastic life is by no means an easy one. Graduation
...comes only after years of hard study and a visit to the sacred
city of Lhasa. The Lama who wishes to take orders must deny
himself many pleasures and devote the early years of his manhood
to diligent and painstaking study.

Surely the outcome or product of such a training
is a mind capable of thinking and cultivation. The Tibetan Lama
is not a dumb heathen, but an enlightened one. He has no desire
or ambition to acquire the learning of Chinese sages; their
teaching with all its civilising influences is nothing to him.

A colonizing Scheme?

The cause of China's military conquest of Tibet,
therefore, can not be the propagation of Chinese learning. Nor
has China is groaning under the burden consequent on too dense
a population. An outlet is needed for its vast and teeming
millions, and Tibet fortunately provides that outlet. Coloni-
zation with the enlargement of her borders may be the cause of
China's conquest of Tibet.

A few facts regarding the object of this conquest
may be of some interest. Tibet is largely a high, dry, barren
country: fruitless and almost treeless, lying for the greater
part above the zone of vegetation. It produces chiefly wool
and hides. A country composed entirely of precipitous rugged
mountains, wide uncultivable plateaux and fierce rushing torrents.
Were Tibet a land rich in gold, with immense tracts of culti-
vable land and producing year by year rich harvests, one could
somewhat understand a military campaign however devastated the
country through which it passed.

An Impossible Bargain.

As an asset Tibet is practically impossible. Its peculiar physical conditions make it absolutely hopeless for Chinese to colonize there; its high altitudes, its biting winds, its absence of vegetables, its rude conditions, its utter loneliness, all combine to make Tibet impossible to the Chinese. Grain is too exorbitant for words, and of his much loved vegetables he sees very little.

To the Chinese merchant Tibet is no happy hunting ground. The Tibetan's needs are so meagre, his home so simple, his food so plain, his clothing so durable, that the poor disappointed Chinese merchant very often becomes stranded in some lonely part of Tibet. His tempting wares are no temptation to the Tibetans, his Chinese calico will not keep a Tibetan warm, his gaudily coloured prints are too fastidious for sedate Tibetan ladies.

No Place for the Farmer.

To the Chinese farmer Tibet is an insoluable problem. Enterprising to a degree, patient beyond comparison, untiring in his skill and ingenuity as he is, Tibetan soil will not produce his much loved turnips and no amount of coaxing will give him his indispensable rice. Chinese farming in Tibet is most discouraging and after many vain attempts he returns disheartened. The country is not too high, he says: it has been cursed; and this satisfies him in his failure.

To the Chinese artisan Tibet offers no prospect of success: he finds no employment on the "Roof of the World" and no outlet for his energies.

The builder, the carpenter and the blacksmith find no employment where the people live in mud houses and tents. No amount of inducement will constrain a Tibetan to live in a civilized wooden house: he finds it too cold and shaky.

Be Conquest Without Destruction.

To the Chinese scholar, polite, intelligent and
[illegible], Tibet is simply barbarous. Some one may have said so
[illegible] of years ago and he firmly believes. Their dress,
[illegible] feet, their manners, are all repugnant to him. Naturally
[illegible] and reserved, the Tibetan's brusque uncouth appearance
[illegible] by no means inviting to him. They are not eager to learn
[illegible] but he has to import and such being the case he leaves them
[illegible] their darkness and ignorance. To the Chinese, Tibet is too
[illegible], too lonely and too barbarous for his refined tastes.

The Chinese soldier in Tibet feels just like a fish
[illegible] of water, or a sun-baked African searching for the North
Pole. The rigorous climate and cold piercing winds are not
[illegible] to Chinese warfare. The enemy hides and will not
[illegible] out: he wantonly destroys his own house rather than let you
[illegible] shelter under its gracious roof; he destroys the roads, and
[illegible] you from some impregnable position. The climate, the
[illegible]' military tactics and the scarcity of people produce
in the mind of the Chinese soldier a very strong aversion to
fighting in Tibet.

The conquest of Tibet could only be accomplished by the destruction of very much life and property. China before the Revolution had undoubtedly great power in Tibet, but it was not gained by military conquest. A power far stronger and subtler gained for her the ascendency she possessed. Chinese craft and show had great influence over the Tibetans. A military conquest under the conditions prevailing in Tibet is something China should beware of.

China's Imperial Policy.

Perhaps the spirit of imperialism is abroad. The young republic is now looking out for "new worlds to conquer"

An outlet is needed for her vast millions, hence the inauguration of an Imperial policy. This is the spirit of the age. Oh China is now new China. An imperial programme is a part of every government's policy. China should move slowly; it is one thing to fire a gun and quite another to hit the mark. Colonisation is an utter impossibility: Tibet was made for the Tibetans and nobody else.

If the monopoly of Tibet's commerce is the cause of the military conquest China need go no further. She has all the trade in her own hands and has practically no other rival. Other nations have tried their delicious tea on the Tibetan's palate, but he still prefers Chinese brushwood. The glitter of Birmingham wares will not turn him from the Chinese silversmith. In the Chinese merchant on the border he finds a ready buyer for his musk and wool. He may carry it from one end of Tibet to the other involving every kind of expense; China will export it to the coast, again involving much expense; China gets Tibetan trade whether she wants it or not. Certainly it is not the commerce of Tibet China is seeking for.

A Stubborn Pupil.

If China can not colonise Tibet, then there are no sinecures to be found. If her benevolent purpose is to civilise Tibet then she has many difficulties to encounter. An unwilling pupil, an ungrateful pupil and a very stubborn pupil, is certainly not encouraging material to begin with. Tibet seen through Chinese eyes is quite an alarming place; grotesque, barbarous, lawless, are only a few ungrateful epithets. True, they may deserve them. Europeans have called them dirty people. Fortunately looks don't count for everything; our own arctic heroes sometimes look a scare. The Tibetan has no love for water, nor does he use a comb or trouble to change his garments. For these unpardonable crimes he is

quietly relegated to the barbarous heap. He lives all his life in a rude tent and never seems to change his menu; for these simple idiosyncracies he is styled uncivilized. He will petition the gods for help while quietly relieving you of all your belongings. He does not shun the epithet, "Religious ruler", and for such incongruous conduct people hundreds of miles away call him wild and lawless. Perhaps he is.

China, still clinging much to her ancient civilization, is now pledging herself to reform Tibet and impart to that nation as a whole guiding principles for every walk in life. But Chinese rule in Tibet will never succeed and China should wisely recognize and acknowledge this."

While the article above quoted seems very convincing, and certain arguments advanced are almost unanswerable, I can not agree entirely with the conclusions which the writer has expressed. The Techienlu correspondent speaks like many American writers of 1867 who criticised the purchase of Alaska by the United States. The very same arguments are advanced. Although Alaska was known as "Seward's Folly" because it was thought to be cold, barren and unproductive it has literally become a gold mine. While Thibet may not be equally rich in minerals there are excellent reasons for believing that it contains enormous deposits of great value. Certain explorers have stated that there are vast mineral resources which have great potentialities. While the quantity of gold which has thus far been mined is not very great, the fact that gold is present at all encourages the belief that rich mines may be found. Iron pyrites, lapis-lazuli, mercury, borax and salt have also been found and it is quite possible that these and other products may be obtained in large quantities when the country is developed. For these reasons, therefore, the Chin-

as we loath to give up Thibet without a struggle.

The fact that Thibet is an incognita plays a prominent part in Chinese foreign politics. The fact that Thibet is an incognita does not necessarily mean that the country can not be made a valuable possession. Although the Japanese are not adapted to conditions in Manchuria and are unable to compete with the Chinese there in many lines of business, they realise that gold and other mineral deposits in that commonly wealthy region can be turned to their own advantage and are not discouraged in the least by the severe winters and the rugged and uninviting character of the country. The Chinese may feel exactly the same way about Thibet.

It must be remembered, also, that the dignity and standing of China is involved in the Thibetan question. The Chinese feel that the loss of one dependency would be the thin edge of the wedge and that the fate of Mongolia and Manchuria will be largely determined by the fate of Thibet. And they fear that even Yunnan and other parts of China proper may be absorbed by foreign countries if British interests are allowed to preponderate in Thibet. This step they consider would inevitably follow the nominal independence of that country.

While, therefore, it may be argued theoretically that the loss of Thibet would be of very little consequence to China, it would be utterly impossible to convince the Chinese that such is the case, and the futility of the Chinese campaign in connection with her Thibetan policy may apply more to the failure of her military operations than to the results which a successful expedition would ensure.

I have the honor to be,

Sir,

Your obedient servant,

E. Colston Baker,

Consul.

800.

Japanese Demands.
Views of leading missionaries.

To Dept. 6 MAR 1915

Sub. Relations

Recd. 1- MAR 1915
Ack.
Ans.
Ref.

AMERICAN CONSULATE GENERAL.

No. 396 Confidential

Shanghai, China, February 25, 1915.

Subject: Japan's Demands of China - Statement by the Representatives of the Foremost American Missionary Bodies in China.

800

The Honorable Paul S. Reinsch,

American Minister,

Peking, China.

Sir:

Supplementing previous despatches and reports, on the above subject, I have the honor to enclose a copy of a self-explanatory communication as handed to me this afternoon by Bishop Bashford.

It has seemed desirable to make a copy of this communication as the signatures, in some instances, are somewhat indistinct and illegible; also for the purpose of providing additional copies.

The attitude of these prominent and foremost American missionaries was first called to my attention yesterday afternoon, at which time it was tentatively suggested that their views might be telegraphed to the Department of State. I felt, however, that it would be more in order to have their views presented to the Legation for such consideration and action as may seem warranted from a diplomatic viewpoint. The original draft of the

communication

communication contained the following paragraph, which it will be seen applies more specifically to commercial and trade conditions:

> " If through lack of foreign support the Chinese Government and people are forced to submit to the reported demands of Japan, Japan will inevitably monopolize the trade of China, thus closing the Open Door and destroying the vast possibilities for the increase of general foreign trade, in which American interests will suffer along with those of other western nations. Posterity will vindicate any administration which by firmness in the present crisis preserves for all western nations both their commerce and their general influence in the Far East. Such firmness will also help maintain, in a way sure to be deeply appreciated by China as well as the western nations, the traditional policy of the United States as one of real friendship for China."

I find that Dr. Pott, President of St. John's University here, was not in favor of sending the statement with the above paragraph embodied in it. Accordingly, the communication was redrafted and the paragraph in question was eliminated. Moreover, I presume that some of those who might object to the paragraph, referred to, feel that the Chinese themselves are largely responsible for the present condition of their country and for such results as may follow.

I understand that Bishop Bashford, who is taking an active interest in this matter, will proceed at once to Peking and will, no doubt, lose no time in calling at the Legation. He feels that prompt action should be taken and he is also of the opinion that any forcible action on Japan's part will probably result in resistance

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on the part of the Chinese and bring about a state of armed conflict in China which would be detrimental to all nationals concerned - including American trade possibilities, et cetera.

I regret that I have but a moment to present this important matter. However, I believe I have little to add to what I have already set forth in my previous despatches. Ultimately, I assume that the Chinese will temporarily yield to the Japanese demands and will, according to their inherited proclivities, look to a day when they may be able to secure an adjustment of their affairs, not only as regards Japan, but as may concern the other nations of the world.

I believe that Bishop Bashford will proceed from China to Japan for the purpose of consulting with the American Ambassador at Tokyo, and I am, accordingly, sending a copy of this despatch to our Embassy there, as well as to the Department of State in the usual way.

I have the honor to be, Sir,

Your obedient servant,

Thomas Sammons
American Consul-General.

Enclosures:

Statement by the Representatives of the Foremost American Missionary Bodies in China, dated February 24,1915.
Copy of this despatch, together with enclosure.

Copy to the American Embassy at Tokyo.

Two copies to the Department of State.

710
S/A

Enclosure with Shanghai Consulate General despatch No. 396 (File No. 710), of February 25th, to the American Legation at Peking.

Shanghai, China.
February 24, 1915.

Hon. Paul S. Reinsch, Ph.D.,
Peking, China.

Dear Dr.Reinsch:-

The present crisis in the relations between Japan and China has reached a stage at which we are constrained to address you. We are dependent upon the newspapers as is the general public for information as to the nature of the demands Japan has made upon China; and if our views of the situation rest upon mistaken information we request you to withhold this letter from the State Department.

From wide experience of the Chinese people we are sure that if the demands upon the Chinese Government threaten the integrity of China, they are bound to issue in the gravest consequences. Even were the Government to submit or be speedily overthrown, the history of China in similar crisis, the experience of Japan in Formosa since 1895, and the present temper of the people in which all factions in China are rallying for the preservation of the nation, show that many, many years of internecine and interracial strife will ensue ere the people can be pacified. This will destroy not only American trade with China but most of China's industries and commerce, thus robbing even Japan of the material advantages of her possible overlordship;

overlordship; will result in a decline of civilization; and will paralyze the work we came to China to perform.

The suddenness of the present crisis prevents our delaying to obtain the opinion of the whole body of American missionaries in China; but we are satisfied that in the above mentioned points there will be substantial agreement among them.

From our conviction of the seriousness of this crisis, we venture to request that you communicate these views to the American Government, urging special consideration for this nation which though so weak at present possesses such great potential strength. We trust that you will request our Government to secure if possible the reference of those international questions in which China feels the grave injustice of foreign demands to the Hague Tribunal; pointing out if necessary to Japan that the forcible settlement of problems affecting all nations will in the very nature of the case remain open for revision at the close of the present European struggle, and urging her in her own interest and in the interest of humanity to strive with China as she is striving with the rest of the world for intellectual, industrial and commercial leadership rather than for a dictatorship of force.

In thus addressing you, we would mention finally our conviction that the friendly feelings we entertain toward China are shared by a strong element in the Japanese nation itself, and that our attitude toward

Japan

Japan is therefore in no sense one of opposition to the Japanese people as a whole whom we hold in high respect and from whom we anticipate great aid in the tasks which confront our common humanity in the Far East.

J. W. Bashford, (Bishop Methodist Episcopal Church, Peking).

E. C. Lobenstine, Secretary, China Continuation Committee.

F. D. Gamewell, Ph.D., Secretary, Educational Association of China.

J. C. Garrett, D.D., Vice Chairman and Acting Chairman, China Presbyterian Council, Presbyterian Church in U.S.A.

R. C. Chambers. D.D. President, China Baptist Conference.

F. R. Graves, Bishop, China Mission P. Ep. Church.

Bishop L. H. Roots, Bishop, China Mission, P. Ep. Church, Hankow.

(Dr) F. L. Hawks Pott, President, St. John's University.

A. P. Parker, Editor of the China Christian Advocate, Methodist Episcopal Church, South.

Copied by Wd
Compared with MA.

Plans of the Japanese Government in the Event of War Between the United States and Japan.

(Document in Chinese handed to the Legation, February 27, 1915. Tr.)

Japan and America are now in close contact and it will be difficult to avoid war in the future. The world knows this. Our people hope that the misfortune of war may be forever averted. But in a responsible government those who have given themselves to military service and those who have received the heavy responsibilities of our office (The General Staff) cannot but make plans in order to fulfill our duty. So the people of every country make careful preparations and have fixed plans to meet the plans which have been thought out by the opponent countries. In regard to the details, they must depend on the changing circumstances after war has commenced. Military plans should be flexible and cannot be exactly determined beforehand. It is only necessary for those in military command to devise wise plans in view of the circumstances existing at the commencement of hostilities. Therefore our General Staff Office can only outline a general plan so that in the event of war we may not be caught unprepared and so disappoint the expectations of our country.

Regarding a Japanese-American War, if we consider carefully the questions of attack and defense, we shall certainly conclude that if America begins hostilities against Japan she will plan to use her great fleet to navigate the Pacific and will first attack our coasts.

This

this may be guessed. Now that the Panama Canal is opened it cuts the Pacific in two and makes it easy to attack our small islands. If we first await an attack on our coasts it will be most disadvantageous and cannot be allowed. It would frighten our people and dampen their spirits. The defense of outlying regions is complicated. Moreover our country is surrounded by the sea and our dependencies form a part of the Asiatic continent. From Sakhalin to Corea and Formosa is like a long bow. If the other side is clever and active an attempt will be made to raid our coasts. If they are able to accomplish this they may chose their places of attack. If this happens our whole coast line will beyond doubt be devastated. In this juncture our fleet could not devise plans to cooperate in a general attack, but in each coastal region our ships would be sunk by the fleet of the other side and so our fleet would be knocked to pieces in this wretched way. This cannot be considered. The defense of Formosa, Sakhalin, Corea, the Kurile Islands, Tsushima, and our other possessions is very important. Let us consider the lessons of the Russo-Japanese War. The Russian fleet was very feeble, yet it attacked our transports and captured some. It raided the trade routes and coasts of the Japanese and Northern Seas and accomplished part of its designs. At that time our defensive squadron attacked bravely without great results. Later we added another squadron, and although by good luck we defeated them, it took a long time. We may take warning from the defense arrangements which were unprofitable. To yield one step of advantage to the other side would be poor calculation.

If

If the first squadron should be destroyed by the other side it would mean a sacrifice of about four thousand officers, many hundreds of thousands of yen, and many tens of thousands of lives. The difficulty of defending Corea need not be mentioned. Also it can be clearly seen that Sakalien, Formosa, and the other islands would be swept into the hands of the other side. So, it would not matter how strong the land force might be. If in the first engagement the fleet is involved in misfortune and the inland region waits with folded hands till the enemy come the consequences would be unthinkable. Therefore our fleet on the first indication of war should use the ordinary plans, make good provision of all materials of war and of men, so as to destroy the enemy's Eastern squadron in the first engagement before he has completed his preparations, thus allowing our fleet to proceed to the places decided upon. It is for this that we hold office - to devise suitable plans. If our fleet operates outside our territorial waters, attacking the enemy's dependencies, the after results although a little disadvantageous in the matter of defensive arrangements would be of great benefit to the mobility of the military force and to the spirits of the people and the soldiers. These benefits would be incalculable.

America is further from her dependencies than is Japan. We could attack these possessions in from one-third to one-fourth the time that America could reach them. If our fleet proposes to change the base of operations

to

to Formosa as the place for the second base opposite the objective point of our attacking army transportation would be very easy. Moreover, if our fleet once obtained a hold of the dependencies of the other sideso that the army could make a landing this would be the program for the first period of the war. The objective point in the first period of the war must consequently be the southern islands and "Pu Wa"(the Hawaiian Is.) as being the dependencies most advantageous to occupy. This is obvious.

If the Philippine Islands come into our hands the army will hold them. Supplies will not need to be transported from Japan to any great extent but we can depend on collecting and distributing local supplies. Our military lines can be extended to include the Philippines, which will increase the ardor of our forces and make our military arrangements complete.

If we proceed to form a program for the second period, the general principle on which we shall advance is easy to understand. In the first period if the other side makes any unexpected evolution or attacks our coasts we shall have our old coast defense vessels to meet it. Moreover all the important points on the coast are strongly fortified. No anxiety need be felt on this score.

The important thing in settling matters with America is to be prepared and to attack first. As regards the plans for the second period, they can be settled according to the results obtained in the first

period

period. Therefore, when there are unmistakable indications of war, although we may prepare a program it may be impracticable to use it. Therefore, as regards the objective to be aimed at in the second period no detailed plans can now be drawn up. We must at once send men to spy on the important fortified places along the coast of the other country. After the reports are complete and after hostilities have commenced we can decide on the movements of our forces. The program of preparation for the first period of the war is indicated in the following tables.

The Plan for the Fleet in the Hostilities With America.

Number of Squadron / Division	Assignment of duty	First Station	First objective for attack (and area of convoy activities)	Naval Base
1st	Line of battle	Before the beginning of hostilities to cruize near the islands of the Southern Ocean.	Luzon	Formosa and the small islands of the Philippine Group.
2nd	Do.	Do.	Do.	Do.
3rd	Do.	Do.	Do.	Do.
4th	Do.	Before the convoy of troops begins to wait near Formosa for news from the ~~squad~~rons at the front.	First to wait near Formosa. Later, as there is opportunity to assist the 1st, 2nd, and 3rd squadrons to occupy "Bu Wa" (Hawaian Islands)	Formosa
5th	Do.	Do.	Do.	Do.
6th	Convoy	Convoy the army & the military stores of the ~~1~~1st Division.	Military base on ~~Kwangtao~~ Hirashima, Formosa, & Philippine Headquarters.	Uncertain Hirashima
7th	Coast Defense (Reserve)	Sakalien, Kurile Is., Northern routes, & threatened places along Pacific coast.	In first period of war same as preceding, in second period uncertain.	Do.
8th	Do.	Corean Straits, Tsushima, & threatened places along Pacific Coast.	Do.	Do.

Memoranda

1. When about to begin hostilities the General Staff office will issue special orders to all the capital ships, torpedo boat tenders, torpedo boat destroyers, torpedo boats and submarines.

2. When about to begin hostilities the 2nd volunteer squadron will be converted into a convoy fleet.

Program for the First Army in Hostilities with America.

Units	Duty	Objective of attack.
Division - designation to be in accordance with annual mobilization regulations.	Attack.	Philippine Is.
-do-	-do-	-do-
-do-	-do-	To be stationed in Formosa and to attack the Hawaiian Is., depending on the results of operations in the Philippines.
Heavy artillery.	Bombardment of fortified positions and general fighting.	Philippine Is.

Memoranda

1. The General Staff Department and all that relates to munitions of war and supplied will act according to the annual mobilization regulations.

2. The supplies and various impedimenta of each division will be according to the mobilization regulations.

Shheme for Strengthening the Defenses on the Outbreak of War with America.

Name of Place	Number of Soldiers	Memo
Corea.	1 division.	At the time of commencing hostilities.
Formosa.	1 division.	-do-
Sakalien.	1 mixed brigade 1 brigade of heavy artillery.	To be hastened there or held back according as the war results.
Tsushima.	1 brigade of infantry. 1 brigade of heavy artillery.	At the commencement of hostilities.

Views of leading Missionaries - Japanese Demands.

AMERICAN CONSULATE GENERAL

Sub. 1 Demands.

Recd. ..... Mar. 2 1915

No. 398. Shanghai, China, February 27, 1915.

Ans. .....

Ref. .....

A. e. .....

Confidential.

Subject: Japan's Demands of China - Statement by the Representatives of the Foremost American Missionary Bodies in China.

The Honorable Paul S. Reinsch,

American Minister,

Peking, China.

Sir:

I have the honor to refer to my telegram of yesterday, on the above subject, and supplementing my despatch No.396 of the 25th instant (File No.710), to add that after Bishop Bashford had presented the statement signed by himself and a number of the most prominent representatives of missionary bodies here, I made some further inquiries, at the earliest possible moment, as indicated in my telegram, and learned that the statements as made were not entirely approved of, and that, in fact, such representative missionaries as Dr. S. I. Woodbridge, Editor of the CHINESE CHRISTIAN INTELLIGENCER, did not support the movement resulting in the signing of the statement, as forwarded, and that they were decidedly opposed to missionaries "meddling in politics".

Accordingly, I deemed it advisable to notify the Legation, by telegraph, conveying a brief outline of the attitude of Dr. Woodbridge and others,

I consulted with Dr. Woodbridge, in particular,

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in a more confidential sense, and learned that he had not been requested by the others to join in signing the statement that was forwarded to the Legation by me on Thursday, last. He indicated, confidentially, that he presumed it was understood that he would not support a movement of that kind, that is, as he understood it, in support of interference, in a political sense, on the part of American missionaries.

He further complied with my request to outline, for the confidential information of the Legation, his reasons for not supporting the movement lead by Bishop Bashford, as follows:

THE CHINESE CHRISTIAN INTELLIGENCER
Editor's Room,18 Peking Road.

Shanghai, Feb.26,1915.

Dear Mr. Sammons:

I think that it is very important just now that missionaries should keep clear of Oriental Politics. Even the semblance of interfering with matters that do not belong to our calling will eventually prove hurtful to our cause.

The memorandum you showed me (confidentially T.S.) today is political. It will, if known, First - give the Chinese the idea that our country may back them up if they forcefully resist the demands of the Japanese. Second - It will irritate the Japanese - and make it hard for missionaries if Japan should ever obtain a foothold in China; and it will tend to create friction between America and Japan in any case. Third - It will create ill feeling between the English and ourselves. We have enough of this already in Shanghai as you know.

I hope our Minister will understand that this memorandum is not the action of the Missionary Body, but the private action of a few, and I think he is wise enough to keep us missionaries out of politics.

You are at liberty to use my name in expressing any opinion agreeable to that

contained

contained in this letter.

Cordially yours,

(signed) S. I. Woodbridge

I may add that when Bishop Bashford first called upon me regarding this matter, I indicated the importance of American missionaries not participating in any movement that might be considered of a political nature. He indicated that he agreed with that thought but felt that at this particular moment it was in order for prominent missionaries to give some expression to their views to the end that benefits, now and hereafter, might result to all concerned. He stated, moreover, that while in Japan he had had an interview, as arranged by Bishop Harris, with Count Okuma, the Premier, and that the latter had indicated that so long as he remained in office Japan would not resort to any forcible or armed policy in China. Bishop Bashford felt, nevertheless, that the military party in Japan would prove too influential for the Premier to successfully cope with.

I find it somewhat difficult, in some instances, to guide missionaries away from political by-ways owing to and resulting from their sincere and heartfelt sympathy for the native Christian converts, but I am happy to state, on the whole, they are pursuing a very circumspect course. My experience in Korea, in particular, during the time that Japan was taking effective possession of that country, caused me to feel that the success of Christian missionary effort was retarded or endangered by a tendency to participate directly or indirectly in political movements. This applied to the Y. M. C. A. organization as well as to

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the various American Protestant denominations represented in that country. I consistently urged that American missionaries should pursue a policy of non-interference in political matters and I feel that the same applies to Shanghai at the present time.

At a banquet recently given by the Alumni of St. John's University, of this city, reference was made by a brilliant young Chinese speaker to China's critical condition and the possibility of the United States being of assistance. Subsequently, Bishop Graves of the Protestant Episcopal Church spoke in a sympathetic way and conveyed the impression that America could be relied upon in its friendship for China, and then pointed to the presence of the American Consul-General as confirming his remarks. In due course, when called upon to speak, I endeavored to indicate pleasantly but firmly that I was present because of my deep personal interest in the work of St. John's University and that I was unable to either speak for, or in any way discuss, the attitude of my Government. I indicated, further, and subsequently emphasized the same in personal conversation, that I did not feel the occasion warranted discussions of political topics. I did this because I have felt that in Shanghai there has been an unwarranted tendency among some of the missionaries, and including the Y. M. C. A. organization, to take cognizance of political conditions.

It is because of conditions of this kind that I have consistently urged that the report of the Sub-Committee

of

of the Edinburgh Continuation Committee on MISSIONS AND NATIONS should be published at an early date because, judging from the preliminary report, the presentation therein of the relations between missionaries and others, in various countries as regards the local government, will be of the greatest value in avoiding such tendencies as may exist among American missionaries to "meddle in politics".

I regret that the pressure of other duties prevents a more careful and satisfactory presentation of this matter. I am able to give it but hurried and incidental consideration at this time.

I have the honor to be, Sir,

Your obedient servant,

Thomas Sammons

American Consul-General.

Enclosure:

Copy of this despatch.

Copy to the Tokyo Embassy.

Two copies to the Department of State.

710
S/A

AMERICAN CONSULATE GENERAL,
MUKDEN, CHINA.

Chinese-Japanese relations

March 3, 1915.

8-III-1915

SUBJECT: Chinese-Japanese Relations in reference to South Manchuria and Mongolia.

800

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sir:

I have the honor to report that both the Military and the Civil Governor here are in receipt of telegraphic instructions from the Central Government stating that public opinion throughout China is highly excited over the reported Japanese demands; that unfounded rumors regarding the demands only tend to promote unfriendly relations between the Chinese and Japanese peoples; and that, as the demands have not yet been put into form suitable for publication, any criticism or action on the part of the Chinese populace is premature. The instruction goes on to state that the Prime Minister, considering the present state of affairs detrimental to the progress of negotiations and liable to bring about deplorable consequences, is accordingly issuing a general order directing the military and civil authorities to instruct their subordinates to caution the public to be careful not to be mislead by idle rumors and to refrain from any anti-Japanese action.

In reply to the above instruction, the local Civil Governor telegraphed the Prime Minister in substance as follows:

"In compliance with your instruction, notification has been issued to the various subordinate officials regarding the pending Sino-Japanese negotiations. The

people of Fengtien have already experienced harsh treatment at the hands of the Japanese (Chino-Japanese war 1894-1896, Russo-Japanese war 1904-1905, and subsequent thereto), and do not want any more experiences. The public sincerely wishes to be informed as soon as possible exactly how the negotiations stand. The Fengtien people would rather fight to the last man than submit to despotic Japanese rule as their near neighbors have had to do".

In view of the Prime Minister's instruction, the Military Governor General here also issued strict orders to the various commanders under his jurisdiction in the sense of the Civil Governor's notification. He added an injunction against leakages in military secrets. As the Japanese authorities, both civil and military, try in every way to gain information for their respective departments, the Governor General holds that Chinese should do the same. Every military commander is to be held personally responsible for the safe retention of the military secrets entrusted to his care. The Military Governor General has recently prosecuted some of the more active anti-Japanese instigators.

The various local societies, including the chamber of commerce, guilds, etc., sent a telegraphic petition to the Central Government reading as follows:

"That, as Japan is in such close geographical proximity, it is of the greatest importance that she should not be allowed to encroach further upon the mainland of Asia, especially upon China's inmost territory such as Shantung Province. We therefore earnestly appeal to the Central Government to prevent the Japanese gaining a further foothold in the province of Fengtien. If Japan is allowed freedom of action throughout the northern parts of the Chinese Republic, what can we expect the action of the other powers to be in central and south China when the present European war is terminated?"

Owing to the interest taken throughout Manchuria over the Japanese demands, influential Chinese residents of Mukden are planning to organize a society to discuss and adopt ways and means to protect the Chinese populace in case of a crisis.

As the 27th Division of the lu chün, whose head-quarters are at Mukden which is the seat of the divisional commander, still lacks several batallions, inclusive of two batteries, to

complete its full complement of men, the General in command, Chang Tso-lin, has applied to the Military Governor General for permission to recruit up to this number and to be granted the necessary allowances for equipment and ammunition.

After consultation with the various Military Commanders, the Military Governor General has decided to organize a model regiment (模範團) to be recruited from the flower of his body guard, from the military police force, and from the various military divisions stationed throughout Fengtien Province. All the recruits must be of superior standard, both mentally and physically. This regiment will be under the direct command of Colonel Tao.

The Civil Governor is in receipt of a notification from the magistrate of Liao Yuen Chou (Cheng Chia Tun 鄭家屯), situated in Eastern Mongolia en route to Taonanfu, that the Japanese railway authorities have established an office for railway control at that place. Although the magistrate has protested against such a proceeding, the Japanese concerned pay no attention thereto. The magistrate has requested the Civil Governor to take up the matter through the Special Delegate for Foreign Affairs with the Japanese Consul General at Mukden. It will be recalled that the Japanese maintain a military force of some 1,500 men at Cheng Chia Tun.

In spite of the strained diplomatic relations existing between the Chinese and Japanese Governments, several banquets were recently held in Mukden at which prominent Chinese and Japanese officials met for the purpose of promoting friendly relations. The members of the 17th Club, a local fraternal association composed of Japanese and Chinese officials, propose to appoint a committee consisting of representatives of both nationalities to investigate the underlying and hitherto unknown causes of the present existing differences between their respective

governments. The Chinese party will give the benefit of its investigations to the Chinese Government, while the Japanese party will confer a like favor upon its home government. The prominent Japanese residents here say that it would be a shame to rupture the friendship at present existing between the Chinese and Japanese peoples at large, (sic).

I have refrained from discussing Japan's demands with Chinese officials here, other than in the interview with the Governor, as reported in my No. 38 of February 18, 1915, when the subject was broached by the Governor and I was merely a listener. I did have in mind making a request of him for a copy of the demands, so far as they relate to Manchuria and Mongolia, as this office feels the lack of any knowledge through official channels of these demands. I feared however that any initiative on my part might lead to questions as to our attitude and also a request for advice as to what course China should adopt in the present crisis. I am particularly careful that nothing I say or do shall be capable of being construed as holding out hope to the Chinese that we are ready to assist them, even diplomatically. While apparent temporary advantages may be the immediate consequence of a friendly interest, the keen disappointment certain to follow the discovery that America's friendly intentions stop short at the brink of danger would not be conducive to increasing Chinese confidence in the United States. Our position here at present is, I venture to submit, as strong as when we were a few years since holding out hope to the Chinese, even through our action may have lent itself to that construction quite unconsciously.

It is now too late to challenge Japan's position of paramountcy here which was created during the Russo-Japanese War and nurtured during the intervening decade. Now that

Japan is firmly intrenched here her demands in reference to South Manchuria and Eastern Inner Mongolia follow as a natural consequence of her special position. To attempt to dislodge Japan from her present position is infeasible. No one can prevent the eventual alienation of these regions from China's sovereignty. What we can and should expect to do is to see to it that during the successive steps preceding and leading to the absolute relinquishment of Chinese sovereignty in these regions the rights of the United States and of the other treaty powers are duly respected. In other words, as I see it, our main interest lies in the manner and method of Japan's administration and control of her possessions in China, and in asking that such territorial acquisitions as are unavoidable should be administered according to recognized principles of equity and fair play. If Japan is accorded the rights of residence and ownership of land in all parts of South Manchuria and Eastern Inner Mongolia, all the powers in treaty relations with China can, I should think, claim the same rights in the territories concerned. All the other demands, as reported, respecting these regions would seem to call for special arrangements, and if such arrangements are concluded, favored nation treatment could not be asked for or expected with respect to them. Any special privileges Japan may obtain in certain specified districts in regard to the construction of railways and the working of mines cannot be considered to be in any way different from those already granted Japan and Russia in Manchuria and other powers in China Proper. Japan is already by special agreements with China operating certain railway, mining and timber concessions in South Manchuria.

If the above be true then it is plain that the demands respecting Manchuria and Mongolia, assuming that the particulars are as mentioned in the press, do not conflict with the

treaties and conventions of the other powers with China; also that these particular demands fall into a separate catagory from the claims respecting China Proper. The fate of the three Eastern Provinces, it should be remembered that the Manchurian districts were erected into provinces as late as 1907, is not necessarily linked with the fate of the Republic. The actual problem is not how to save Manchuria and Mongolia but how to save China in the face of the storm which has burst within the past few weeks. Though not within the scope of my immediate observations, I venture to state that all we can hope to do is by purely diplomatic means to so retard the process of Japan's penetration into Shantung and Fukien as to give China an opportunity to stand on her feet. But even if China is able again to assert her own, which prospect is still too far removed to deserve present consideration, I am of the opinion it will be a long time before Japan and Russia find their positions in this region untenable.

The last sentence in the telegram of the local societies to the Prime Minister, quoted above, as to the possible danger of aggression in China on the part of the European powers on the termination of the present war, is interesting, and may be taken as indicating, in a conservative manner, the local Chinese view on what is regarded as an almost inevitable result of the Japanese demands. The feeling undoubtedly exists that Japan's recent action will cause fresh international complications and kindle a new rivalry among the powers similar to the scramble fifteen years ago for spheres of influence and and concessions, which Mr. Hay arrested but did not stop.

I have the honor to be, Sir,

Your obedient servant,

Consul General.

710.
H/Fa.
Copy sent to the Department.

Sino-Japanese crisis

Sub. ....

Recd. ....
Ack. ....
Ans. ....
Ref. Peking; ....
Ltr. ....

No. 566. March 5, 1915.

800

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to transmit, for the information of the Department, editorials from the PEKING GAZETTE of March 2nd, 3rd and 4th, as well as articles from the JAPAN GAZETTE and translations from various Chinese newspapers: all dealing with the Sino-Japanese crisis and giving an indication of the current tendencies of newspaper discussion here.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:
As stated.

800.

A true copy of the signed original.
C

rendered to Japan in the direction of furthering and deepening American confidence in Japan

[illegible] which case the individual responsible must be called a fool—or [illegible] exercised by the touch of gold, in which case the same individual would be liable to be stigmatised as a knave. We leave the choice of epithets to the President of the Japan Society of New York. As regards the abandonment of the Philippines it is hardly a question for Americans to consider and decide, although it is not impossible for a Chinese to observe that even if it were true—which it is not—that such a policy of scuttle, or escape of [illegible] and moral duty would save the United States from [illegible] the peace so to be secured would hardly be consistent with the dignity and prestige of a great people. Nobody outside of a madhouse would suggest that there is any likelihood of a breach of the peace between America and Japan springing out of a policy of territorial aggression against Japan by the people of America, but it is equally certain that nobody outside of a madhouse would deny that if such a breach takes place, it will be at the hands of Japan whose imperial system, conceived and planned and resolved upon, inexorably demands the inclusion and the incorporation of the Philippines and this great land of China within its orbit. We continue the subject to-morrow.

...D VIEWS
...AMERICAN
...TO JAPAN

...is the impression ex-
...Japan to-day.
...Russell, President
...of New York, on the
...Council, in the
...ing, he also gave expression
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...Japan, he declared,

CHINA AND AMERICA.

The campaign of ideas which Japan is now conducting in America —to which reference was made in these columns yesterday and of which a further significant proof is reproduced elsewhere in this issue —is directed towards arranging the intellectual adjustment of the American mind to the conception of Japanese tutelage of and over these continental lands and masses of millions of China, with the ultimate purpose of creating and maintaining a nexus between China and Japan similar, but not precisely analogous, to that now linking India to Great Britain. To those who hold with Thucydides that it is not walls nor ships but *men* who constitute a state, there will be no difficulty in realising that the possession of super-dreadnoughts and machine-guns and the mere paraphernalia of material progress have not yet assisted, and do not postulate, the intellectual and moral evolution of the Japanese mind from the ideas and sanctions of the Middle Ages to those that rule and govern the peoples of modern Europe and America. And if that 's so, the claim which the President of the Japan Society of New York makes on behalf of the Japanese to be the "logical trustee, the proper guardian" of China loses whatever similitude of argumentative force that resided in it. Indeed, is it not a fantastic suggestion—at least, so it strikes a Chinese—that we who have taught this island-race the rare things of life—art, letters, morals—and who in the region of the intellect have been and shall remain and continue the masters of the Japanese; that we who have done within three years of the morrow of one of the greatest transactions in secular history what it took the Japanese upwards of fifteen years to achieve in circumstances less difficult and dangerous, namely the extinction of that spirit of rebellion which historically follows in the wake of great national revolutions; and who have managed this old land of ours to such wise and good purpose during the three brief years since we set out to adjust our ancient ways and modes to the exigencies of modern life, so that the mightiest struggle in history, which is shaking the foundations of the world, has little disturbed the peace and internal security of the country and has not disabled us from meeting our funded commitments to foreign nations, while it has affected Japan to an extent that no budget manipulation can much longer withhold from the world the grave and serious state of Japanese finances; is it not, we ask, a negation of good sense to suggest that a people like us, old but masculine, who have done and have achieved these feats of national virility are fit only for the tutelage of a nation, mediaeval in spirit and soul but wielding the arms and power of a first-class modern nation?

But assume that we are not the intellectual superiors of the Japanese or that we are not the peers of western peoples in the category of final ideas and the eternal verities or that our achievements in the region of state affairs during the past three years do not entitle us to anticipate a cycle of political, industrial and commercial development within the next few years which shall stand apart and unparalleled in the history of the peoples, —would it be to the interest, the ultimate interest of the United States to suffer Japan to have a "free hand in China" and bend and shape and dominte 400,000,000

people belonging to a race—pure, virile, intelligent—and with the resources of a continent in their gift? In such an event, can one envisage the Pacific and *all* that it contains as other than a Japanese sea and Japanese possessions? And if that is to be the fate of what is now an An lo-Saxon sea, will the driving power and the conquering ambition that will have secured the conversion of it all to Japanese dominion cease to operate when in sight of the fat lands of America? It were easier to bid the raging monsoon to halt in its sinister course.

So regarded and so considered, one sees immediately the fallacy of approaching in a mere commercial sense the momentous question of Chinese conquest raised and involved in the document handed to the President by the Japanese Minister on the memorable 18th of January last with its twenty-one demands covering and ranging over the entire public life of China and holding in chancery the strategic provinces of the country. To affirm the integrity and the independence of China, because the principle of the open door and equal opportunities for the commerce and industry of America and other nations rest on that affirmation is to overlook, if not ignore, the real and ultimate basis of Chinese sovereignty. A sovereign China is a vital American interest, not because the industry and commerce of the United States demand the existence of an independent China, but because the present distribution of the force of nations demands and exacts that no Power, least of all spiritually-mediaeval Japan, shall dominate and utilise the men and resources of China to the deep detriment and lasting injury of other Powers. An independent, strong, *non-aggressive* China—aggression is inherently alien to our temper—is a political necessity, not a mere commercial need, of America and the other Powers who are resolved that no single Power shall rise and capture the hegemony of the world.

A DRAMATIC DEVELOPMENT.

We have to announce an astounding development in the diplomatic drama which Count Okuma and his colleagues are producing in a setting filled with the accessories of sensational art. A message from one of the European capitals reached Peking last night, transmitting the extremely surprising information that by the hands of her Ambassadors abroad Japan has delivered a further communique to the Great Powers in which the historic admission is made that her demarche on China consists—not of eleven—but of twenty-one demands. To grasp the seriousness and the gravity of the situation confronting Japan as a result of this admission, it is necessary to re-state the facts.

On the 4th day of the 12th moon, i.e. Monday the 18th of January, His Excellency the Japanese Minister presented to the President what was in form a draft-treaty consisting of twenty-one articles grouped and classified under five heads. According to the Peking correspondent of the "North-China Daily News"—an accurate annalist of the facts—these articles relate to Shantung, to South Manchuria and Eastern Inner Mongolia, to the Yangtze Valley and Fukien, to non-cession of maritime territory and islands off the coast of China and lastly to the internal administration of the country in all political, financial, military and police affairs. We have already stated—we repeat it—that these demands are conceived in the sense of a Japanese conquest of China and are intelligible only on the assumption that Japan has emerged the victor in a war with this country. And we declare afresh that if these demands are exacted from us, China would cease to be an independent nation and all the guarantees of Great Britain, the United States, Russia, France as well as Japan affirming the territorial integrity and independence of China would be no more than "scraps of paper".

We pass to the next scene of the drama. As a result of inquiries made at Tokjo by the Ambassadors of probably two of the Great Powers whose attention and interest was aroused by the publicity directed from Peking on this startling and astounding action of Japan, the Japanese Authorities in Tokio and in Peking verbally communicated to the representatives of the Great Powers already named eleven of the demands contained in the draft-treaty handed to the Chinese Government and, a week later, embodied these eleven demands in a communique which is now public property and the terms of which may now be reproduced in an exact form for the study and the use of the student of history:—

I. In relation to the Province of Shantung:—

1. Engagement on the part of China to consent to all matters that may be agreed upon between Japan and Germany with regard to the disposition of all rights, interests and concessions, which, in virtue of treaties or otherwise, Germany possesses in relation to the Province of Shantung.
2. Engagement not to alienate or lease upon any pretext the Province of Shantung or any portion thereof, and any island lying near the coast of the said Province.
3. Grant to Japan of the right of construction of a railway connecting Chefoo or Lungkou and the Tsinan-Kiaochou Railway.
4. Addition of open marts in the Province of Shantung.

II. In relation to South Manchuria and Eastern Inner Mongolia :—

1. Extension of the terms of the lease of Port Arthur and Dalny, the South Manchuria Railway and the Antung-Mukden Railway.
2. a. Acquisition by the Japanese of the right of residence and the ownership of land.
   b. Grant to Japan of the mining rights of the mines specified by Japan.

3. Obligation on the part of China to obtain in advance the consent of Japan before she grants railway concessions to any third Power, or procures the supply of capital from any Power for railway construction or the raising of a loan from any other Power on security of any duties or taxes.

4. Obligation on the part of China to consult Japan before employing advisers regarding political, financial or military matters.

5. Transfer of the management and control of the Kirin-Changchun Railway to Japan.

III. Agreement in principle that, at an opportune moment in the future, the Hanyehping Company should be placed under Japanese and Chinese co-operation.

IV. Engagement, in accordance with the principle of maintenance of the territorial integrity of China, not to alienate or lease any ports and bays on and any island near the coast of China.

We have to state that—while certain phrases occurring in the original text of the foregoing communique have been deliberately varied, because it is believed that these phrases were designedly used in the text communicated to one or two of the Powers in order to trace the source from which any leakage proceeded—the text as published above is, in the sense of history, ample and accurate.

We pass to the dramatic development now announced. As a result of further inquiries from one or more of the Powers whose attention has been directed by the foreign press correspondents stationed in Peking to the grave omission in the Japanese communication to the Powers of the ten demands grouped under the fifth and last head in the draft-treaty, Japan last week instructed her Ambassadors in London, Petrograd and Paris—our information at present does not include Washington—to communicate another version of her demands which she is now forced to confess are twenty-one—not eleven—in number. The situation staggers one; and for the moment we find it intellectually impossible to follow the course of the reasoning which has led Japan, in the first instance, to declare to Great Britain, Russia, France and the United States that her demarche on China consisted of no more than eleven demands and, when compelled by the power of publicity, to make the practical admission that her communication, was conceived in terms of what the *Times* is in the habit of characterising as "duplicity and tergiversation". Do the Japanese Authorities realise the enormity and heinousness of the international delinquency to which they have committed their country? Do they understand that they have perpetrated an offence which may force the Powers internationally to ostracise their country and which, if we choose, may so shatter Japanese credit that not a farthing of English money shall in the future be lent to Japan? It is tragic to think that a country which has shewn such abundant capacity for material progress has now given damning proof of her incapacity to understand those moral ideas which no Power claiming the rights and privileges of a civilised nation can ignore. Precisely how Japan will attempt to extricate herself from the grave position in which Count Okuma and Baron Kato have placed her, it is not easy to conceive. There is, however, one step that she can take which may minimise the consequences of the offence committed by her rulers. We shall indicate it in our next issue.

...GETTE, THURSDAY, MARCH 4, 1915.

BALANCE OF POWER IN CHINA.

While the crisis between Japan and China continues on the basis of unknown Japanese demands on the neighbouring Republic, it is, of course, impossible to judge the merits of the controversy, but it is pertinent, and may be useful, to consider the principles that should guide any reasonable settlement between the parties. To such discussion the latest long-range contribution is supplied by Mr. Lindsay Russell, President of the Japan Society of New York, in an article "American Policies in the Far East," published in our issue of the 23rd instant. Mr. Russell, who, we believe, spent a few weeks in Tokyo some years ago, has always championed the impressions he then received as an almost national guest, so that his views are interesting not only as being his own but as being likely to reflect what he believes would be acceptable in Tokyo. Briefly, he thinks 1. that the California question should be deliberately kept in abeyance until locally settled fundamentally, and this is probably excellent advice—if it can be kept in abeyance; (2) that American confidence in Japan should be increased by showing how well Japan conducted herself in Korea, Formosa and Manchuria, which also commends itself as sound counsel—with the proviso that there is evidence of more than doubtful Japanese conduct in the three places; (3) he declares there is an ever-increasing sentiment in America towards liberating the Philippines and giving a free hand to Japan in China—which will be news to most people and of which Mr. Russell offers no evidence; (4) he thinks it is for Japan to determine whether she shall keep Kiaochow and not America—whereas it is, in fact, for the Allies to determine after the war, as Baron Kato has stated; (5) he thinks Japan should "gain the balance of power in China and retain it through strategical positions, such as Manchuria and Kiauchow." All except the last head of Mr. Russell's homily we have disposed of as stated, to the extent of showing that his views are based on inaccurate or doubtful information, but evidently the crux of his article is the suggestion that Japan should gain the balance of power in China. That, of course, is rather a "tall order"; no less, indeed, than the hegemony of the Far East. It is probably exactly what a section of Japanese opinion desires and towards which it is pressing, but its undisguised proposition, disseminated through the management of the Kokusai Tsushinsha, which sent it to us, is a little surprising, if not significant, at this Sino-Japanese crisis. We are not among the fanatics who inveigh against the policy of the balance of power in political adjustment. That policy has kept peace in Europe, as a whole, during a century, and is not discredited because it has broken down at last under the strain of Germany's deliberate violation of treaty-obligations. Mr. Russell's suggestion that the balance of power in China be preserved strikes us as valuable, and we only fail to understand its rider to the effect that Japan should "gain" that balance of power. So far as we understand the matter, the balance of power in China is already maintained by a number of treaties, chief among which is the Anglo-Japanese Alliance. One of the principles of that Convention, to which, of course, Japan is a willing party, is maintenance of the *status quo* in China, and yet here is Mr. Russell urging that Japan herself upset that principle by acquiring "strategical positions in Manchuria and Kiaochow" in order to "gain" and "retain" the balance of power there! This seems to us very dangerous, as well as ignorant, advice to tender Japan. It is dangerous because it might inflame ill-informed opinion here to the prejudice of good international relations; and ignorant, because, as stated, Japan already possesses a large share in the task of maintaining the balance of power in China through the Anglo-Japanese Alliance. Moreover, this advice assuredly does not represent the general American view, and its acceptance would go far to antagonise the American sentiment now friendly to Japan. All we can say as to Mr. Russell's letter, as a whole, indeed, is that it is unrepresentative of the best American or Japanese opinion, and, shot at a venture at long range, will, we trust, entirely miss the mark at which it is aimed. So long as the Governments of Japan, America and Great Britain work in co-operation in their policy towards China, the interests of the four countries concerned will develop sanely, through the maintenance of the balance of power, and there is no need to suggest the predominance of any one of them in the work. That way, we submit, danger to peace lies.

[Editorial Page 7]

CHINA AND JAPAN.

SCENES OFF THE STAGE.

(Specially translated for the "Peking Gazette.")

Owing to the secrecy maintained regarding recent diplomatic, we are unable to give details of the negotiations held yesterday. One may, of course, indulge in speculations or even draw his own conclusions from the little he can learn or guess, but opinions based on such flimsy data can only deepen the mystery. There are interesting scenes enacted off the stage, however, which will enable us to fathom the real scene behind the curtain.

AN ATTEMPT AT BRIBERY.

Mr. Liang Ch'i-ch'ao is the supreme champion of Chinese public opinion, and even the Japanese admire his literary works. He has written some very vigorous articles which have appeared in several papers against the Japanese demands when they were disclosed to the world, pointing out the unreasonable character of these demands. Shortly afterwards, a certain Japanese, a man of the industrial world but known to be closely connected with the Tokio Government, called on Mr. Hsiung Hsi-ling, the Ex-Premier. The said Japanese expressed his admiration of Mr. Liang and declared a desire to become his disciple, for which position he was willing to pay Mr. Liang the sum of $5,000 as his tuition fee. He had come to ask Mr. Hsiung to introduce him to Mr. Liang. In reply, Mr. Hsiung told the Japanese that Mr. Liang was not in the habit of accepting any person to be his disciple without good reasons, and that, needless to say, he would certainly decline to accept the munificent offer, especially at this time, when the Sino-Japanese negotiations were at a most critical point. He further told the Japanese that he (Mr. Hsiung) would under no circumstances make such an introduction, and he strongly advised him to refrain from making such a proposal, if he valued his own "face," to Mr. Liang. This had the effect of silencing effectively the Japanese, who retired then and there. A few days later the Japanese papers came out with the statement that Mr. Liang was a pro-German publicist and that he was guilty of ingratitude to the Japanese.

THE VISIT OF A DIPLOMAT.

Following the publication of Mr. Liang's article on the subject of the Japanese demands in the Chinese papers [the article first appeared in the *Peking Gazette* and was extensively reproduced], Mr. ——, of the Japanese Legation, called on the former at his residence. In the course of the conversation which followed, Mr. —— asked Mr. Liang's opinion relating to the Sino-Japanese situation. Mr. Liang, of course, told him what he considered to be his reasons for believing that the Japanese were not right in presenting the demands. Mr. —— whose face plainly showed displeasure, said that he had better speak out plainly, that is, Japan was in no mood to listen to argument, and that all Japan wanted was to take something from China while Europe's attention was absorbed in the war. As to the reason, he had none to give. To this, Mr. Liang retorted that if this was the case, there was no need to conduct any negotiations. Japan could do what she pleased without waiting for China's consent. But so long as China's consent was wanted, reasoning must be the fundamental procedure to be followed. This was why he wrote his article. Mr. —— was silenced, and he, too, retired.

A CHINESE VIEW.

Mr. ——, the special correspondent of the *Osaka Asahi* and a leading figure among Japanese press correspondents in Peking, had a conversation the other day with a certain Mr. Huang Yuan-sheng. The tenor of Mr. ——'s conversation in no way differed from that of Mr. —— with Mr. Liang, but he went to the length of adding that the alleged press campaign carried on by the Chinese Government was indeed a powerful one. Mr. Huang, however, indulged in elegant sarcasm. He said, "Although it is customary for a citizen of a country to defend the foreign policy of his own Government for the sake of preserving its dignity, if for nothing else, I would cry out loudly against the palpable injustice of the action of the Japanese Government if I were in your place, because the policy pursued by Count Ogama is assuredly against the best interests of Japan. Take the question of the extension of leased territories, for instance. There are still twelve years before the said leases will actually expire, and nobody can tell what changes may take place within these twelve years. Therefore, Japan has an ample margin of time to renew the leases and there is no reason why she should fail to secure the renewal. What possible advantage can accrue to Japan to press the question at the present time except to increase the number of demands and intensify the resentment of China? Great Britain and France have often discussed the idea of retroceding Weihaiwei and Kuang-chowwan to China as an expression of goodwill, but Japan is pressing for the renewal long before the date of expiry. Such is the vital difference between the diplomatic strategy of Japan and enlightened countries.

A RELIGIOUS PRETEXT.

The demand for religious propaganda is even more fantastic. The missionary movement of western countries is prompted by the desire to spread a creed entirely new to China. But whatever religions exist in Japan exist in this country also. Therefore, there is no occasion for the Japanese to propagate their religions in China. Speaking from the standpoint of practicability, what can it profit Japan to send over to China a large body of priests and scholars, however much they may preach and lecture?

THE QUESTION OF NEW PORTS.

As regards the opening of new ports, Japan has more than she actually needs in Hunan, Hangchow and Shanghai. With the exception of Japanising the names of the streets, there is little evidence of Japanese commercial activity in these places. Compared with the commercial interests of other nations, Japanese trade is an almost negligible quantity. The demand for more ports, therefore, will mean nothing to Japan beyond proving her to be the would-be instigator of the Powers in a policy of open encroachment.

As to the argument that since Japan has lodged the demands, it is in the interests of her national dignity that she should continue to press them, let Japan remember that China has a right to sustain her dignity no less than

policy of open encroachment.

As to the argument that since Japan has lodged the demands, it is in the interests of her national dignity that she should continue to press them, let Japan remember that China has a right to sustain her dignity no less than Japan. It is unreasonable to suggest that on the pretext of maintaining one's dignity, he is at liberty to ignore the dignity of others. If Japan relies solely upon the fact that she is stronger than China, then she may act exactly as she pleases by mere force of arms. It is impossible, however, to coerce China into submission by regular negotiation. Still less possible is it to coerce the Chinese Press into advocating the Japanese demands.

THE FUNCTION OF THE PRESS.

We are at a loss to understand what is exactly meant by China's utilisation of the press campaign. It is admissible to say a certain paper has a certain policy because it uses a certain method to propagate its particular views, but as to the utilisation of the Press by the Government, I, a journalist myself, for my own part do not remember having been so utilised. If sounding the keynote of patriotism and publishing interesting news can be called utilisation by the Government, then no press can escape such a charge at any time. If this theory is justified, then on your own showing, what you (referring to Mr. ——) say and do day after day are all inspired by your own Government. Can this be true?" To this somewhat lengthy speech Mr. —— had no more effective reply than a smile.

What is recorded above are merely the opinions of a few individuals, but the views expressed are representative of public opinion throughout China. Hence the publication.

EDITORIALS.

SELF-DESTRUCTIVE POLICY.

The existence of the Chinese nation as a nation may be destroyed by the 21 Japanese demands, but it must be observed that the days of the Island Empire surely are also numbered if such demands are carried into effect. No wise politician will risk his country for the sake of temporary advantage, as Japan is farsighted and able to read the signs of the times. Japan is a small country, consisting of three islands, and her population is comparatively insignificant. While the European Powers are engaged in a life-and-death struggle, Japan has determined to enforce her aggressive policy in China, regardless of the verdict of the world. She fondly imagines that China is unable to meet the situation in her present weak condition, and that she (Japan) need not fear determined resistance from the Chinese. But she has misread the signs of the times. We have hitherto regarded the relation between China and Japan as that of the "lip and tooth;" the two are interdependent; should a deadly struggle arise between these two countries, the European Powers will step in and reap all the advantages. We have hitherto strived to remain on friendly terms with her, though she has robbed us of our dependencies and territories. But instead of appreciating our good will, she has grown bolder and yet bolder in the enforcement of her aggressive policy, and now openly endeavours to deal the *coup de grace* to our national existence. Weak as we are, we have a large army which is ready to fight to the last man, with the consciousness that their cause is just. Japan may boast of her bloated militarism, but her soldiers will fight with a guilty conscience. If she should emerge victorious from the struggle, and conquer the whole of China, let her not forget the European Powers, who have regarded China as a bone of contention. One day, the war clouds in Europe will disperse and melt; then will the Powers turn their attention to the Far East. No doubt, Japan, after conquering China, will apply herself strenuously to the task of preparing to try conclusions with the Powers, but can she get ready in so short a period? Therefore, if the national existence of China is destroyed by Japan, the Japanese Empire will in turn be destroyed by the European Powers.—*Kuo Chuan Pao.*

A NEW POLITICAL CODE.

Since the lease of Kiaochow Bay to the Germans, a new phrase has been added to Chinese politics, namely, "ninety-nine years." Such a phrase has baffled Chinese students of International Law, as they have failed to discover a precedent for the same in the entire history of the world. Who could have thought that this phrase would—in fact it does—occur in three of the 21 demands recently lodged in the President's Office by the Japanese? Our belief that the Japanese are cunning imitators is hereby strengthened. When Japan declared war on Tsingtao, she was full of professed indignation against the Germans, who did not act according to international principles; and she announced that the leased territory would be conquered and restored to its rightful owner. But she has since not only refused to restore Tsingtao to China, but has tried to exact more out of the Chinese Government. She is deliberately working for the permanent possession of the railway, mining and other rights, which she can rob from China, by limiting them to a lease of "ninety-nine years". She has cunningly imitated the example of others, and disregarded international friendship, but what explaination can she give to the Powers regarding the violation of her promises?—*Kuo Hua Pao.*

JAPAN'S REAL MOTIVES.

When the negotiations between China and Japan commenced, the first problem brought up by the latter for discussion was the Shantung Question. The European War is still raging as fiercely as ever, and it is generally felt that the position of Germany in the Far East cannot be definitely determined at present. It is impossible for us to understand why, instead of approaching the German Government, the Japanese have come to us to discuss the transfer of the rights and privileges relating to Shantung from the Germans to themselves, ignoring the fact that they have already been in the hands of the Germans for a considerable period. Does Japan really mean that China should transfer to her the German rights in Shantung? We can have no doubt that while Japan tries hard to press China on the Shantung question, her real object is to obtain from China extensive rights in other parts of China. It it, however, sound policy for the Government to refuse to comply with the Japanese demands in Shantung, but it is imperative that the Government should not yield to the demands of the Japanese relating to rights and privileges in Southern Manchuria, Eastern Inner Mongolia, and Fukien.—*Kuo Min Kung Pao.*

SUN YAT-SEN'S ALLEGED ACTIVITY.

Our vernacular contemporaries publish reports to the effect that Dr. Sun Yat-sen is said to have received large sums of money from the Government of a certain country to assist the prosecution of his seditious campaign. The local papers are also responsible for the statement that having obtained large sums of money, Sun Yat-sen and his followers are very active in fomenting seditious plots in the Southern provinces. The notorious rebel leader is reported to have sent agents to promote the revolutionary cause in Kiangsu, Kwangtung, Hunan, Anhui and a number of other provinces in the South, and each of his agents has received sums of money ranging from $70,000 to $20,000, with which they will defray the various expenditures involved in their seditious campaigns.

CHINA AND JAPAN.

MESSAGES FROM CANADA AND AMERICA.

The Chinese merchants residing in Canada have wired the Government, requesting the latter to reject the Japanese demands unflinchingly. They proceed to state that in the event of war between China and Japan, they will be willing to contribute funds to the Government for military expenditure. Chinese merchants in various places in America have also wired the Government to the same effect.

Japanese demands:
Negotiations between
Chinese and Japanese
Govts.

Peking.

March 6, 1915.

No. 571.

SECRETLY CONFIDENTIAL

507

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

In continuation of my despatch No. 540 of the 15th ultimo and referring to my telegrams of February 15, 10:00 p.m.; 17, 7:00 p.m.; 20, 5:00 p.m.; 23, 8:00 p.m., and 26, 7:00 p.m., I have the honor to report briefly on the state of the negotiations between the Japanese and Chinese Governments.

Diplomatic conferences were held on February 28th and March 3rd. In both of these the demands relating to Shantung and Manchuria and Mongolia were discussed. No definite point of agreement was secured, except that the Chinese Government declared its readiness in principle to open additional treaty ports in Shantung and

to extend

to extend the leases of Port Arthur and Dairen and of the railways in South Manchuria. The Chinese Government is ready to accede to Article II of Section 1 by way of issuing a non-alienation decree.

With respect to Article III (Section 1) of the Japanese demands, the Chinese Government is ready to make a contract with Japan providing for the building of a Chinese Government railway from Chefoo or Lungk'ou to Weihsien with a Japanese loan and under Japanese engineering and auditing control, following herein the accustomed terms of railway contracts in China. The Japanese Government seems ready to accept this, but insists, however, on the right of fixing the terminals of the railway. As it is feared that it may be the desire of Japan to develop Lungk'ou and entirely to isolate Chefoo, leaving the latter port without railway connection, the Chinese Government is desirous of securing the assurance that the railway may be built to Chefoo without opposition by Japan. Incidental negotiations dealing with this question have been reported in my despatch No. 558 of the 1st instant (File No. 877).

The Japanese Government has strongly insisted upon the adoption of the Preamble to Section 2. The Chinese Government is, however, resisting with all its force the acknowledgment of a special position of Japan in South Manchuria and Inner Mongolia. As the Japanese demand on this point conflicts with existing treaty rights, the position of the Chinese Government is strong, if it would only be given the support of the nations holding rights under these treaties.

With respect

With respect to the extension of the leases mentioned in Article I (Section 2), the Chinese Government is willing to grant an extension, even in the case of the railways, although this amounts directly to the grant of an important money value, since the Chinese Government is, under the terms of the contract, to become the proprietor - absolutely and without payment - of the railways at the end of the lease. The Chinese Government is not so ready to extend the term provided in the railway contract for the period (thirty-two years) after which it is to have the right to redeem the railway properties upon payment of their value.

It is recognized that Articles II and III (Section 2) would, if granted, open the regions concerned to all foreigners for trade, farming and residence, through the operation of the most-favored-nation clause. While such a grant would therefore not conflict with existing treaties, it is considered by the Chinese to involve a serious menace to their sovereignty, since all foreigners entering these regions are exempt from Chinese jurisdiction. It is moreover, of course, anticipated that should these demands be conceded the enjoyment of the privileges granted would through natural causes fall almost entirely to the Japanese, tending to make the whole region a Japanese colony. It is for this reason that the Chinese are very unwilling to grant these demands and propose to solve the difficulty by opening additional places to foreign residence and trade.

The remaining articles have not yet been discussed in detail.

I have the

I have the honor to submit a copy of the original Chinese document handed to President Yuan Shih-k'ai by Mr. Hioki, the Japanese Minister, on January 18th, which has been handed to the Legation confidentially by a member of the Foreign Office. There is also enclosed a translation of this document which was given to me in strict confidence by one of the staff of the Foreign Office on February 20th. For convenience and reference this translation has been arranged parallel with the statement of the demands as handed to me by the Japanese Minister on the 14th ultimo. In the translation, as transmitted, certain corrections have been made by Dr. C. D. Tenney, the Chinese Secretary of Legation, as noted therein.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures;

As stated.

800.

A true copy of the signed original.

COPY.

...ION OF DOCUMENTS
... TO THE PRESIDENT
... KAI, BY MR.
... THE JAPANESE MIN-
... ON JANUARY 18TH,
1915.

I

The Japanese Government and the Chinese Government being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighborhood existing between the two nations agree to the following articles:-

ARTICLE I.

The Chinese Government engages to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests and concessions, which Germany, by viryue of treaties or otherwise, possesses in relation to the Province of Shantung.

ARTICLE II.

The Chinese Government engages that within the Province of Shantung and along its coast no territory or island will be ceded or leased to a third power under any pretext.

ARTICLE III.

The Chinese Government consents to Japan's building a railway from Chefoo or Lungkou to join the Kiaochou-Chinanfu Railway.

ARTICLE

HANDED TO AMERICAN MINISTER BY THE JAPANESE MINISTER ON FEBRUARY 14, 1915.

I

In relation to the Province of Shantung:-

ARTICLE I.

Engagement on the part of China to consent to all matters that may be agreed upon between Japan and Germany with regard to the disposition of all rights, interests and concessions, which, in virtue of Treaties or otherwise, Germany possesses in relation to the Province of Shantung.

ARTICLE II.

Engagement not to alienate or lease upon any pretext the Province of Shantung or any portion thereof, and any island lying near the coast of the said Province.

ARTICLE III.

Grant to Japan of the right of construction of a railway connecting Chefoo or Lungkou and the Tsinan-Kiaochou Railway.

ARTICLE

ARTICLE IV.

The Chinese Government agrees, in the interest of trade and for the residence of foreigners, to open by herself as soon as possible certain important cities and towns in the Province of Shantung as Commercial Ports. What places shall be opened are to be jointly decided upon by the two Governments in a separate agreement.

II.

The Japanese Government and the Chinese Government, since the Chinese Government has always acknowledged the special position enjoyed by Japan in South Manchuria and Eastern Inner Mongolia, agree to the following articles:-

ARTICLE I.

The two Contracting Parties mutually agree that the term of lease of Port Arthur and Dalny and the term of lease of the South Manchurian Railway and the Antung-Mukden Railway shall be extended to the period of 99 years.

ARTICLE II.

Japanese subjects (literally, Japanese officials or common people) in South Manchuria and Eastern Inner Mongolia shall have the right to lease or own land required either for erecting suitable buildings for trade and manufacture or for farming.

ARTICLE III.

Japanese subjects (literally, Japanese officials or common people) shall be free

ARTICLE IV.

Addition of open marts in the Province of Shantung.

II

In relation to South Manchuria and Eastern Inner Mongolia:-

ARTICLE I.

Extension of the terms of lease of Kwantung, the South Manchurian Railway and the Antung-Mukden Railway.

ARTICLE II.

(a) Acquisition by the Japanese of the right of residence and the ownership of land. (b) Grant to Japan of the mining rights of the mines specified by Japan.

...to reside and travel ...South Manchuria and East... ...Inner Mongolia and to en... ...in business and in man... ...facture of any kind what...

ARTICLE IV.

The Chinese Government agrees to grant to Japanese subjects (literally, Japanese officials or common people) the mining rights of all the mines in South Manchuria and Eastern Inner Mongolia. *As regards what mines are to be opened they shall be decided upon by the two Governments jointly. (*As regards the opening of each mine there shall be a separate agreement. - C. D. T.)

ARTICLE V.

The Chinese Government agrees that in respect of the (two) cases mentioned herein below the Japanese Government's consent shall be first obtained before action is taken:-

(a) Whenever permission is granted to the subject of a third Power to build a railway or to make a loan with a third Power for the purpose of building a railway in South Manchuria and Eastern Inner Mongolia.

(b) Whenever a loan is to be made with a third Power pledging the local taxes of South Manchuria and Eastern Inner Mongolia as security.

ARTICLE VI.

The Chinese Government agrees that if the Chinese Government employs political, financial or military advisers or instructors in South Manchuria or Eastern Inner Mongolia, the Japanese Government shall first be consulted.

ARTICLE

ARTICLE III.

Obligation on the part of China to obtain in advance the consent of Japan before she grants railway concessions to any third Power, procures the supply of capital from any third Power for the construction of a railway, or raises from any third Power a loan on security of any duties or taxes.

ARTICLE IV.

Obligation on the part of China to consult Japan before employing Advisers or Tutors regarding political, financial or military matters.

ARTICLE

ARTICLE VII.

The Chinese Government agree that the control and management of the Kirin-Changchun Railway shall be handed over to the Japanese Government for a term of 99 years dating from the signing of this Agreement.

III.

The Japanese Government and the Chinese Government, seeing that Japanese financiers and the Hanyehping Co. have close relations with each other at present and desiring that the common interests of the two nations shall be advanced, agree to the following articles:-

ARTICLE I.

The two Contracting Parties mutually agree that when the opportune moment arrives the Hanyehping Company shall be made a joint concern of the two nations and they further agree that without the previous consent of Japan, China shall not by her own act dispose of the rights and property of whatsoever nature of the said Company nor cause the said Company to dispose freely of the same.

ARTICLE II.

The Chinese Government agrees that all mines in the neighborhood of those owned by the Hanyehping Company shall not be permitted without the consent of the said Company, to be worked by other persons outside of the

ARTICLE V.

Transfer of the management and control of the Kirin-Changchun Railway to Japan.

III.

Agreement in principle that, at an opportune moment in future, Hanyehping Co. should be placed under the Japanese and Chinese co-operation.

said Company; and fur-
agrees that if it is
ded to carry out any
rtaking which, it is
prehended, may directly
indirectly affect the
rests of the said Com-
, the consent of the
Company shall first
obtained.

IV.

The Japanese Government
and the Chinese Government
with the object of effec-
tively preserving the terri-
torial integrity of China
agree to the following
special articles:-

The Chinese Government
engages not to cede or lease
to a third Power any harbor
or bay or island along the
coast of China.

V.

ARTICLE I.

The Chinese Central Gov-
ernment shall employ influ-
ential Japanese (literally,
Japanese who have strength,
power, or influence) as ad-
visers in political, financi-
al and military affairs.

ARTICLE II.

Japanese hospital, church-
es and schools in the in-
terior of China shall be
granted the right of owning
land.

ARTICLE III.

Inasmuch as the Japanese
Government and the Chinese
Government have had many
cases of dispute between
Japanese and Chinese police
to settle, cases which
caused no little misunder-
standing, it is for this
reason necessary that the
police departments of the
important

IV.

Engagement, in accordance
with the principle of main-
tenance of the territorial
integrity of China, not to
alienate or lease any ports
and bays on, and any island
near the coast of China.

important places (in China) shall be jointly administered by Japanese and Chinese and that the police departments of these places shall employ numerous Japanese, so that they may at the same time help to plan for the improvement of the Chinese Police Service.

ARTICLE IV.

China shall purchase from Japan a fixed amount of munitions of war (say 50 per cent or more of what is needed by the Chinese Government) or that there shall be established in China a Sino-Japanese jointly worked arsenal. Japanese technical experts are to be employed and Japanese material to be purchased.

ARTICLE V.

China agrees to grant to Japan with the right of constructing a railway connecting Wuchang with Kiukiang and Nanchang, another line between Nanchang and Hangchow, and another between Nanchang and Chaochou.

ARTICLE VI.

If China needs foreign capital to work mines, build railways and construct harbor-works (including docks) in the province of Fukien, Japan shall be first consulted.

ARTICLE VII.

China agrees that Japanese subjects shall have the right to propagate Buddhism (In Chinese text, reference is to religion and not especially to Buddhism) in China.

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- - - - - - -

Japanese demands

Sub. .....
Recd. .....
Ack. .....
Ans. .....
Ref. .....
Enc. .....

12 MAR 1915

AMERICAN CONSULATE-GENERAL,

No. 407

Shanghai, China, March 9, 1915.

Subject: Japan's Demands of China- Alleged Secret Demands, Japanese Political Exigencies, and Possibility of Boycott.

The Honorable Paul S. Reinsch,

American Minister,

Peking.

Sir:

I have the honor to supplement previous despatches and reports on the above subject by enclosing a self-explanatory editorial clipping from today's issue of the NORTH CHINA DAILY NEWS (British).

This editorial does not, however, take up the question of a possible boycott by China on Japanese goods. I may, therefore, add that regarding this dangerous and mischievous weapon(boycott) I have made diligent (informal and casual) inquiry and learn that many native merchants favor that kind of retaliation on Japan. On the whole, however, the great body of Chinese gentry seems disposed to consider the possibilities of serious consequences of using the boycott. At this time the Chinese Central Government authorities could no doubt tip the balance either way.

The following reference to a boycott appears in the Report of the Shanghai Piece Goods trade of the 4th instant, as compiled by the British firm of Noel,Murray and Co., Ltd:

" The discussions over the demands of Japan, promise to be protracted, and busy Europe,

the

the money-finder, appears to be able to spare time to record her disapproval of the game that is being played,which in turn has encouraged China to put on a bolder front. Moreover, the merchant classes are aroused, and are reminding their neighbors across the Yellow Sea, that they have a stronger weapon than a rifle which is spelt, b-o-y-c-o-t-t and has been known to inflict nasty wounds on former occasions; but China's strong President says: ' put it away for the time being, things will be brighter bye and bye,' so we must still wait and see."

I have the honor to be, Sir,

Your obedient servant,

Thomas Sammons

American Consul-General.

Enclosures:
Editorial Clipping from the NORTH CHINA DAILY NEWS, of March 9, 1915.
Copy of this despatch and enclosure therewith.

Copy to the Tokyo Embassy.

Two copies to the Department of State.

710
S/H.

Enclosure with Shanghai Consulate-General Despatch (File No.710) to the American Legation at Peking, dated March 9, 1915.

Editorial Clipping from the NORTH CHINA DAILY NEWS, (British) of March 9th, 1915.

JAPAN, PEKING AND CHEFOO.

Two contributions published to-day, which may conveniently be grouped together under the above heading, call for some further comment. In the first place, a correspondent comes strongly to the charge on the subject of the Japanese demands of China. Now whether Japan has kept ten of these demands up her sleeve "and those the most serious", in communicating the subject matter of her negotiations with China to the Powers, is best known to herself and China. What, however, we would again emphasize is that if Japan has indeed kept back ten requests, it means that the remaining eleven are all she proposes to press, certainly all about which China need trouble herself. We are discussing the question as a matter of business only, without any admixture of the natural feelings of an Ally who finds it impossible to believe that her partner would play her the dirty trick attributed to Japan. And as a matter of business our correspondent to-day discusses the question. But when he raises certain questions, which from the business standpoint become at once inevitable, we do not think he admits readily enough the decided negative for which those questions appear to call.

Our correspondent tells us that Japanese statesmen have deliberately deceived four great Powers as to the objects nearest their heart, regardless of the fact "that in negotiating with China separately so as to reap from her the benefits of the war with Germany her (Japan's) own position and *locus standi* at the great peace congress will be endangered." Do Japanese statesmen really believe, he asks, that the war will last for ever and that "the Powers will continue to permit them to take an unfair advantage and appropriate what would not otherwise be agreed to?" Of course Japanese statesmen believe no such thing: but when our correspondent further alludes to the seeming inconceivability of experienced statesmen committing the Island Empire "to a course tantamount to throwing defiance to the great Powers of the world", the only explanation which apparently relieves his doubts is that Japan's demands of China are a mere electioneering trick. That is a theory which can at least be argued. The difficulty of Japan's position both internally and externally is that the old unquestioned authority of the Meije statesmen is being gradually neutralized by the natural process of time, and a new generation of politicians is coming into prominence, a class that is giving trouble in most countries. Democracy is becoming self-assertive in Japan without very clearly understanding what it wants to assert: and it is conceivable that the Government may for the time being have wished to distract the Opposition from too pressing attention to matters inconvenient to itself. Such a device, however, as that which our correspondent imagines is surely too dangerous, both from the external and the internal point of view. As a matter of common prudence, Japanese statesmen cannot afford either to throw defiance at four great Powers, or to cheat the Opposition with a stone which the utmost diplomatic chemistry cannot convert into more than a modicum of bread. Meanwhile, negotiations in Peking appear to be progressing normally, and whatever anxiety they may originally have caused to the Chinese Government is clearly transferred to the necessity of preventing provincial hotheads from stirring up unnecessary ill feeling.

In connexion with these matters, our Peking correspondent discusses to-day the application by Japan for rights to build a railway either from Lungkow or Che-

foo to Weihsien, and he argues that if the alternative be left to Japan the choice will inevitably fall upon Lungkow. That is a question in which the Chinese Government ought to be perfectly firm. The rights and very just grievances of Chefoo are an old and, from the standpoint of Chinese want of forethought, a most regrettable story. So far back as 1908, certain Chinese merchants of Chefoo were so far ready to move in the building of a railway, that they had collected some money and materials and, with a little official encouragement, would doubtless have done more. To-day it is not only the question of a railway that languishes, but also that vital one of a breakwater which is unaccountably help up. At a recent meeting of the Chefoo General Chamber of Commerce Mr. Montague Beart, the Chairman, in commenting on the fact that in 1914 the number of steamers entering the port was 327 less than in 1913 said :—

"Unless some progress be soon made in harbour improvements and Customs accommodation, it is conceivable that owners will discontinue sending their steamers into Chefoo, or at best will give it only occasional service; for I speak from knowledge of the subject when I say there is the gravest dissatisfaction with the present situation which, in the matter of the much-talked-of harbour improvements, seems to enjoy an official interest limited to the collection of surtaxes, which were authorized specifically in connexion with a breakwater construction."

Since July, 1913, those surtaxes have been faithfully paid by shipowners and merchants, yet, said Mr. Beart, the work is blocked because the plans for construction, submitted to Peking in May 1914, have not yet been sanctioned. He might well add, "Gentlemen, it is preposterous!" At the close of his speech Mr. Beart was able, though with no great enthusiasm of belief, to report an assurance from Peking that the plans were being examined. But it remains to be explained why they have been held up so long. With the additional danger in prospect of the railway being diverted to Lungkow, the Chinese and foreign community of Chefoo have indeed cause for anxiety. It will be China's loss if that anxiety is not allayed in the only way possible.

Chinese troops revolt on Tibetan border

No. 100.

AMERICAN CONSULATE.

Sub.
Recd. 25 MAR 1915
Ack.
Ans.
Ref.
Ans.

File.

Chungking, China, March 10, 1915.

Subject: Revolt Among Chinese Troops on Thibetan Border.

Hon. Paul S. Reinsch,
American Envoy Extraordinary and
Minister Plenipotentiary,
Peking.

Sir:-

800

I have the honor to refer to my despatch of January 19th with regard to subject above mentioned and a report of November 4th last entitled "Desperate Situation Along Thibetan Border", and to state that a more extended revolt has now taken place among the Chinese troops on the Thibetan frontier.

This information has come from Mr. Louis King, British Consular representative at Tachienlu, and from American missionaries stationed at Yachow. Mr. King stated that the rebels had taken Hokow on the Yalung river, a strategic point, and that they were marching on Tachienlu. Doctor G. G. Davitt of the American Baptist Mission at Yachow states that a telegram was received there on the fourth instant to the effect that the rebels had actually entered Tachienlu and that the foreigners and most of the native population were fleeing in the direction of Yachow.

No further particulars in this connection have been received as yet, but the information contained in my previous despatches above mentioned furnishes a clue to the present situation. The Chinese troops on the Thibetan border have

suffered a great deal of hardship and have been very much neglected. For a long time they have been short of both equipment and money and the expedition of which they have been a part was very poorly managed. They succeeded for a time in "living off the country" but the districts in which they operated have of late been very much impoverished, and it is likely that this is one of their reasons for marching towards Szechuan where they hope to take by force what has never been freely offered for their upkeep. It is impossible from this distance to foretell the result of this mutiny but unless they are joined by troops in Szechuan it is probable that a peaceful understanding will be reached.

There are no American missionaries at Tachienlu. At Batang, however, there are four American families consisting of eight adults and six children. It does not necessarily follow that they will be seriously affected by the rebellion but if they are obliged to flee they will probably go south to Yunnan.

I have the honor to be,

Sir,

Your obedient servant,

E. Carleton Ballou,

Consul.

I have just this minute heard that Mr. Broomhall of
P. S. the local branch of the China Inland Mission received word from Mr. Sorensen of that society to the effect that his family left Tachienlu before the arrival of the rebels and that he was taken by the rebels but was finally released. Mr. Sorenalso stated that the Catholic Bishop and the nuns had left the
800.
city and that a large number of the Chinese had also fled.

COPY SENT TO DEPARTMENT.

893.

Copy for the American Legation, Peking.

Japanese military preparations

Sub.
Recd. 25 MAR 1915
Ack.
Ans.
Ref.

Tsingtau, China. March 20, 1915.

Japanese Military Preparations.

100

To the Secretary of State.

Continuing my No. 40, of March 12, 1915, I have the honor to state that information coming to this office indicates a modification of the original intention to despatch eight divisions of Japanese troops to Korea, Manchuria, and China. It is now reported that the increase will be merely a doubling of the garrisons in Manchuria and Shantung, and at Hankow and Tientsin.

This will result, it is said, in sending one division to Manchuria, one regiment each to Hankow and Tientsin, and two regiments to Shantung.

Moreover, these units are organized, as regards numbers, on a peace footing, making about fifteen-hundred to two thousand to a regiment and say ten thousand to a division.

division. I regret that this office possesses no information of a definite character regarding the organization of the Japanese army, of a nature similar to the information relating to the Chinese army furnished to American Consulates in China by the American Military Attache at Peking some five years ago.

The Himeji regiment arrived at Tsingtau yesterday, accompanied by a squadron of cavalry and three batteries of field artillery. The Totori regiment will arrive on the twenty-eighth instant.

The troops at present distributed along the railway between here and Tsinanfu will be concentrated at the latter city, making the garrison there four battalions, or about twenty-five hundred men. The new arrivals will guard the railway and will be augmented by the present Tsingtau garrison when the Totori regiment arrives on the twenty-eighth.

The report is that there is a large force of Chinese troops at Weihsien, and it is feared that the garrison at Tsinan would be surrounded and the railway cut, in the event of war with China. Hence the necessity for strengthening the guard along the railway.

A few days ago a large quantity of ammunition was sent from Tsingtau to Tientsin by way of Dalny and Chinwangtao.

I have the honor to be, Sir,

Your obedient servant,

Willys R. Peck.
Consul.

800

A true copy of the signed original. WRP

for the American Legation, Peking.

Tsingtau, China. March 22, 1915.

Japanese Military Preparations.

To the Secretary of State.

Supplementing my No. 45, of March 20, 1915, I have the honor to state that I have now learned that the troops that arrived on the 19th instant comprised the following:

One company of engineers, of the 10th battalion of Fukuchiyama,
One squadron of cavalry
One regiment of infantry, the 10th.

Brigadier General Ushiku, with his staff, and Colonel Takemoto, with his staff, were in the contingent. Exclusive of the staff officers the numbers of the troops were as follows:

Infantry	officers	77	
	men	1,533	
Cavalry	officers	5	(Captain Yamazaki)
	men	117	

I am unable to verify the presence of artillery as reported

reported by me in the despatch referred to.

The troops that are expected to leave Japan on the 26th instant, and to arrive in Tsingtau on the 28th, will be as follows:

One regiment of infantry, the 40th, commanded by Colonel Okada,
One battery of field artillery.

There have been until recently the following Japanese forces in Chinese territory:

1 division in Manchuria (partly in Leased Territory)
1 regiment in Tientsin
1 regiment in Hankow
1 brigade in Shantung (2 regiments)

With the present reenforcements the total strength will be:

5 divisions in Manchuria, with a force of mountain artillery of unknown size.
2 regiments in Tientsin
2 regiments in Hankow
4 regiments in Shantung (2 brigades).

This takes foregranted that the re-enforcements are such and not merely reliefs to replace the present garrisons, which seems a safe assumption.

It is reported in Tsingtau that Tsinanfu has been the scene of military preparations on the part of the Japanese railway garrison, who have dug trenches around their position. Three hundred thousand gunny-bags have been sent to them for use as sand-bags. Ammunition and provisions have been stored, both at Tsinan and at Weihsien and its vicinity. An additional three hundred thousand gunny-bags have been sent to Tientsin, leaving here on the 28th ultimo.

I have the honor to be, Sir.

Your obedient servant,

Willys R. Peck
Consul

A true copy of the signed original. M.K.P.

No. 46.

Sino-Japanese relations: South Manchuria

Sub.
Recd. 24 MAR 1915
Ack.
Ans.
Ref.
Ans.

AMERICAN CONSULATE GENERAL,
MUKDEN, CHINA.

March 22, 1915.

SUBJECT: Chinese-Japanese Relations with Special Reference to South Manchuria.

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sir:

In continuation of my Nos. 44 and 45 of the 16th and 18th instants respectively on the above subject, I have the honor to state that while the Japanese officials and press in Manchuria up to the last few days insisted that the despatch of Japanese troops to this region was merely a matter of military routine for the relief of the existing garrisons, which relief customarily takes place in May each year, it is significant that these same agencies now give it out that the troops stationed at present in Manchuria shall remain indefinitely even after the new troops have arrived. It is admitted that the military forces in the existing garrisons are being reinforced, in fact, practically doubled in number.

During the night of the 15th instant the whole of the 17th Division of the Japanese Army, the Okayama Division, under the command of Lieutenant General Hongo, landed at Dairen and Port Arthur. The 13th Division, the Takado Division, now garrisoned at Liaoyang, under the command of Lieutenant General Ando, will not return to Japan for the present. Governor General Nakamura, of the Kuantung Leased territory, with the two divisional commanders above named, has been placed in supreme

mand of all the Japanese forces in Manchuria, with headquarters t Port Arthur. A redistribution of Japanese troops is taking lace at the various stations along both the Antung-Mukden and the Dairen-Changchun lines. At the larger towns where troops ave already been quartered, their number has been increased, and in the small stations, where heretofore no troops were stationed, a contingent is now being placed. Thus every station has its quota of troops, though at some of the small stops there are not over three or four soldiers. The railway bridges, tunnels, and crossings are especially strongly guarded. Some of the troops have come direct from Chosen, and in the immediate vicinity of Antung there are now stationed seven hundred troops while formerly there were not over two hundred there. Besides the new detachment of artillery at Hai Cheng, reported in my No. 44 of March 16, 1915, there were large increases in the forces stationed at Liaoyang and Sahihchiao, at Liaoyang alone the increase is given as 3,000. These forces may be destined for use at Yingkow in the event of a crisis in that region. There are said to be many military spies, both Japanese and Chinese, among the Chinese troops.

The total Japanese forces in Manchuria are placed at 30,000, composed as follows:

13th Division		10,000
with Mixed Brigade		5,000
		15,000
13th Division increased after declaration of war upon Germany, August, 1914.		3,000
		18,000
17th Division, newly arrived		12,000
	Total	30,000

As to the Chinese military movements in Manchuria in addition to the transfer shipments of ordinance, reported in my No 45 of the 18th instant, I beg to state that on the 17th and 18th instants 17 carloads of military supplies, consisting of field and mountain guns, hand rifles and ammunition were transported from the Mukden arsenal partly to Chinchowfu (錦州府) Peitanho (北湯河), both locatedin the south-western part of this

province, and to Peking. There is an unusual shifting of commanders, and general increases and active movements of troops are occuring at present among the Chinese military forces. A part of the 27th Division, whose headquarters are at Mukden, is stationed at Peitaiho. This force is being increased by recruiting three ying of cavalry. On the 18th instant 330,000 rounds of ball cartridges were issued to the 2nd mixed brigade, stationed in barracks situated about 2 miles outside the outer North Gate, Mukden. The brigade has been ordered to keep strict watch day and night.

Both the Military and Civil Governors receive repeated instructions from Peking to prevent all anti-Japanese demonstrations and to preserve peace and order. The Peking Government fearing difficulties or disorders in consequence of the increase of the Japanese garrisons have ordered a number of military officers here to assist in preventing clashes between Japanese and Chinese troops. These officers have arrived. The withdrawal of large quantities of war munition from Mukden to Peking is regarded as reassuring, indicating it would seem an intention on the part of the Chinese Government not to resist Japanese activities here by force of arms. The Chinese troops here, in that their number is comparatively small, constitute no menace.

A meeting of the 17th Club, a local fraternal association among Japanese and Chinese officials, was held on the 17th instant. The Japanese Consul General particularly requested a large attendance to meet the high military officers newly arrived from Japan, and in a speech, which was intended to be reassuring to the Chinese at the present critical time, declared that Japan's action in the present matter was with a view to cementing friendly relations between the two countries, and to perpetuating peace in the Far East.

I am reliably informed that the Japanese Consul General here is keeping his colleagues among the allies, the Russian, French, and British Consuls General, absolutely in the dark as to the

ctivities of Japan in South Manchuria. On the other hand, it is ated that the Consuls General of the allied powers here are ssing a complaisant attitude toward Japan in South Manchuria. t is believed here by the Chinese officials and foreigners nerally that China will not assent to landownership by the panese, in which event military occupation by the latter may ppen. This act will probably stop short of annexation. No ternal disorders are anticipated, While there is suppressed itement among the people, this feeling will probably not reach ch a danger point as to break out in disturbances on any serious ale. The weakening of central authority by the outside dangers reatening it is not accompanied by a development of provincial pirit in Manchuria.

In spite of a realization of the correctness of the saying at the only certain prophecy in Chinese affairs is that what- er one forsees will not come to pass, yet it does seem that the inese will in face of the Japanese advance withdraw gradually m Manchuria, under protests of course, but without offering ilitary resistance. The succeeding step would be Japanese ilitary occupation and administration. I venture to predict that if similar steps are taken by Japanese in Chihli and else- ere in China proper, China would resist by arms.

At an interview with the Civil Governor on the 20th instant I was informed that the general situation remained unchanged; that some of the people were so alarmed that a few were realizing on their property with a view to leaving Mukden, while others were preparing to send their families to the south, and that the Japanese also were aware of the existence of these conditions. The Civil Governor added that he and the Military Governor General had issued another proclamation on that day, warning the people not to be alarmed and not to spread rumors. In substance it is as follows:- The relations between China and Japan have hitherto been on friendly terms, and they are still becoming more friendly.

since the Japanese demands have begun to be discussed, rumor says that the Japanese merchants are demanding cash for their goods and that credit is stopped, and that in the near future no more goods will be imported. The demands of Japan will soon be amicably settled by the Central Government, and the arrival of Japanese troops, although coming at this time, has no bearing upon any attempt to impose conditions. They are merely to relieve other troops whose term has expired, and are due for home leave. The public is advised to carry on business as usual, as there is no need for apprehension.

Asked as to whether the new troops are really for the purpose of relieving the older ones, he replied that as I am aware the whole Japanese railway line is at their disposal, and that the Chinese have very little opportunity of finding out exactly what is being done; that what is stated in the proclamation about the troops is what the Japanese Consul General told him, but that personally he had doubts. So far as he knew none of the former Japanese troops had left Manchuria. At this point, I suggested to the Civil Governor that anything not in conformity with what the Japanese announced to be their intentions, might without impropriety and with beneficial results perhaps be made public. He replied that he knew that would be the right thing to do, but, as the local officials are kept in the dark by the Central Government, they have nothing to publish.

General Fung Lin-ko of the 28th Division has applied to the Military Governor General for a further supply of 60,000 rounds of rifle cartridges and 10,000 rounds of machine gun ammunition. The application was granted.

General Chang Tso-lin of the 27th Division on the 20th instant assembled his officers at his headquarters for the purpose of speaking to them about the present strained relations between the Chinese and Japanese. He told them to warn their men to avoid showing any ill-feeling towards the Japanese and give them

no cause to take offence. He stated that the Central Government is capable of dealing with the Japanese demands and of maintaining the prestige of China; that it is the duty of all military men to preserve peace and order throughout the districts in which they are stationed, and to prevent the circulation of rumors which are likely to excite the people. The General furthermore stated that it has come to his knowledge that certain military officers have sent their families away. Such action was to be severely condemned, as it would only tend to cause the people to believe that trouble was impending, the officers were warned that should any of them act in this manner, they would be promptly dismissed and also receive severe punishment.

In view of the disturbing rumors and the increased activity of the bandits, the Military Governor General under instructions from Peking has directed the Commander of the 20th Division, whose headquarters are at Hsinminfu, to reinforce the existing railway guard along the northern section of the Peking-Mukden line.

The Military Governor General has also instructed the chief of the military police to despatch a number of men to each suburb of Mukden to search for persons who are spreading rumors likely to cause uneasiness and fear, and, if found, to immediately arrest them.

I have the honor to be, Sir,

Your obedient servant,

W. P. Fitzgerald

Consul General.

710.

H/Fa.

Copy sent to the Department of State.

Desp. No. 48. [1] Copy [2] Political Conditions in So. Manchuria

AMERICAN CONSULATE GENERAL,
MUKDEN, CHINA.

Recd.
Ack. 27 MAR 1915
Ans.
Ref.
Ans.

File 800

March 25, 1915.

SUBJECT: Political Conditions in South Manchuria.

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sir:-

I have the honor to refer to my No. 46 of the 22nd instant wherein reference is made to the proclamation issued on the 20th instant by the Civil Governor here on the subject of the Japanese situation, and to enclose herewith a copy thereof in translation. The frequent proclamations of the high Chinese officials here warning the public not to give rise to or heed rumors; the repeated and explicit orders to all the people to avoid giving offence to the Japanese, and to continue business relations with them as usual; the extraordinary precautions taken by the police to prevent disorders; and the stringent press regulations, have resulted in thoroughly intimidating the populace. The civil officials and the police are imposing measures of the severest restraint, and military officers are taking every possible precaution to avoid any cause of friction between their men and the Japanese troops. Moreover, the natives are awestricken by the presence of the considerable body of Japanese troops now here, and by their continuous activity in the way of reconnaissances and demonstrations. The Chinese officials, both civil and military, seem to appreciate

the fact that if Japanese military occupation were once established in this region, the diplomatic negotiations would assume a new character and be conducted on altogether new bases, and that in order to obtain the removal of these military forces, China would be obliged to give infinitely more than is demanded of her at present. Therefore, the officials as well as the better classes among the Chinese have apparently resolved to remain absolutely quiet and passive, for the present at least. For this reason most of the Chinese soldiers are kept in their barracks. So strongly is the necessity of maintaining peaceful relations with the Japanese impressed upon the Chinese that the latter would probably rather submit to affronts by Japanese than commit the slightest act in retaliation, the consequence of which might be fatal. The chief difficulty however lies in restraining the natives a single one of whom might easily become involved in an altercation with a Japanese, in which an assualt might result, followed in turn by a general outbreak. Indeed, it is generally believed by the Chinese that Japan is anxious for an incident which may serve as a pretext for strong military action. The Chinese feel that they must continue their passive submissive course at least until after the general elections in Japan, which take place today, it being understood here that Japan avowedly desired, for reasons of domestic politics, to complete the negotiations before that time. The Chinese residents also feel that, should an outbreak occur, there is always the danger of some of the Chinese troops deserting, joining the bandits, and laying waste the country-side. Moreover, in the event of the withdrawal of Chinese troops from Manchuria it is apprehended that looting may take place by the troops before their retreat.

It is to be noted that the money market, which is such a wonderful barometer of public opinion and feeling - even in

Manchuria, has recently been subject to violent fluctuations, the value of silver rising and of paper notes falling. For instance, today gold yen equals small coin 1.50 whereas two weeks since it exchanged at small coin 1.42. It is predicted that the small coin notes will continue to depreciate in value. Chinese farmers and dealers have been privately forbidden to sell beans, kaoliang, wheat, and other cereals to the Japanese, as the Chinese officials wish to retain these foodstuffs for local consumption and for use by the Chinese military. Japan has purchased and now holds in Dairen immense quantities of cereals.

The Civil Governor has recently repeated to those of my colleagues who have called on him what he had previously stated to me, that President Yuan and the people will not yield in matters infringing China's sovereignty and the rights of other powers in China; that China could perhaps grant nine tenths of the demands but as to the remaining one-tenth she would, if necessary, forcibly resist; that China will not consent to the rights of landownership, residence, and trade throughout South Manchuria - the principal objection being that foreigners carry with them exterritorial privileges including exemption from Chinese taxation; and that China awaits with confidence the termination of the European war, when the powers will be free to deal with the new Far Eastern situation.

A part of the 17th Division with headquarters at Dairen arrived in Mukden on the 21st instant. Since then troops have been arriving daily. Two companies on arrival on the 23rd instant marched through the streets of the walled city - one in the forenoon and the other in the afternoon. It is believed the new Japanese troops reaching Mukden within the past four days consist of 1 batallion, or about 600 men.

The present Japanese strength here is estimated at

approximately as follows:

Former strength, Railway brigade	600
Former strength, detachment from 13th Division, Liaoyang	300
New strength, 17th Division, headquarters from Dairen	600
	1,500

Chinese soldiers under command of the Military Governor at Jehol are arriving at Mukden - over two hundred on the 18th instant and more on day following. They are well equipped and more of them are expected. What they are for and how many of them are to come to Mukden is unknown. 500,000 rounds of ammunition were recently forwarded by the Chinese Ordnance Depot, Mukden, to Fakumen (法庫門). Ostensibly this supply was for the customary target practice for the detachment of the 27th Division stationed there. It is however believed to be destined for Chengchiatun (鄭家屯), on the Manchurian Mongolian border, where a Chinese military force of 7,000 constabulary troops is located.

I have the honor to be, Sir,

Your obedient servant,

Consul General.

710.

H/Fa.

Enclosure: Proclamation of Civil Governor, March 20,1915

Copies sent to the Department of State and the Embassy at Tokyo.

Enclosure to despatch to Legation No.48 of March 25, 1915

Translation.

Civil Governor's Office, Mukden.

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Notice is hereby given to the public that as the relations between China and Japan have hitherto been friendly and of late are still becoming more so, it is utterly impossible that anything unexpected will happen. However, since these relations (Japan's demands) have arisen, and while the Central Government is just at the point of discussing them, rumors suddenly become current that the arrival of Japanese troops to relieve the older ones is an increase of garrisons; that the Japanese merchants are selling their goods for cash and that all business will soon be stopped. By circulating every sort of falsehood, not only will the minds of the people be disturbed, but I fear that at the same time the feelings of a friendly nation will be hurt. Therefore it is incumbent on me to order the merchants and people uniformly to observe this notice, to live peacefully and carry on business happily, and not listen to rumors or disturb themselves for any reason. Should any unscrupulous persons be found spreading rumors and creating disturbances they will be dealt with according to law, and on no account will leniency be shown to them. The public is hereby ordered to tremblingly obey and not to disregard this proclamation. This is very important.

Issued on the 20th day of March, 4th year of the Republic of China.

Seal of the Civil Governor of Fengtien.

R | 0071 | S J

Conditions resulting from Japanese demands

Sub
Recd 29 MAR 1915
Ack.
Ans.
Ref.
Ans.

AMERICAN CONSULATE GENERAL

No. 423.

Shanghai, China, March 26,1915.

Subject: Conditions Resulting from Japan's Demands on China - Evidences of a Boycott by the Chinese against the Japanese.

The Honorable Paul S. Reinsch,

American Minister,

Peking.

600
4/0

Sir:

Supplementing previous despatches on the above general subject, I may add that while there has been no serious demonstrations here among the Chinese it is evident that they deeply resent the attitude of the Japanese Government. I still feel confident, however, that the substantial Chinese business men and the Chinese gentry, generally, will give most serious consideration to the probable consequences before lending their support to violent movements or other than a passive, although quite effective, boycott on Japanese goods et cetera. In some instances, Chinese merchants find it necessary to curtail or cancel orders for Japanese products.

At the same time, serious minded Chinese are considering effective, patriotic means of supplying China's needs in China. They say it remains for them to prove their ability to supply what Japan is now selling to them

at

at a profit. In discussions regarding trade matters of this nature I find the leading Chinese very earnest.

The Chinese who are issuing placards calculated to inflame the populace and, in particular, cause the boycott on Japanese goods to become more effective, entirely ignore the repressive measures of their own authorities. Over a dozen placards have been more or less secretly circulated, some going so far as to accuse the Japanese of forcing the women of Korea to live with Japanese males in order to prevent the birth of any more Koreans; also, that Japan will compel all Chinese to speak the Japanese language if the Chinese do not resist the demands made upon China.

Many threatening letters have been received by Chinese merchants who handle Japanese goods and in some instance no doubt Chinese merchants fear violent attacks from their countrymen if they patronize the Japanese.

While the Japanese Consul General assures me that he feels the outlook is more promising he admits that the boycott is seriously interfering with Japanese trade and that the freight offered to Japanese vessels has been reduced 50%.

The Japanese Consul General has called upon the Municipal and Chinese Government authorities to render assistance in repressing the boycott movement and states that he feels every possible aid is being rendered. He claims to feel confident that the boycott will not precipitate any serious trouble and, <u>confidentially</u>, he expresses regret at Japanese newspaper utterances indicating that Japan is threatening China with troops

et cetera.

et cetera. He fears, also, that in case of serious rioting some of his nationals in remote quarters might be in danger of violence, but I am confident the Japanese have ample men and arms to adequately protect themselves at short notice in any possible emergency should the constituted authorities be unable to do so.

As indicated a few days ago by the Governor of Nanking, it is evidently proving very difficult to repress all of the Chinese people, particularly the returned student classes and others who may be designated as being of the rowdy element. With a view to exercising suitable repressive measures if necessary, members of the Shanghai Volunteer Corps have been given orders to hold themselves in readiness for a couple of days.

I am advised on good authority that when the Chinese proceed to the Yokohama Specie Bank for the purpose of cashing Japanese currency they are given the amount at the day's exchange together with an additional ten cents. When inquiries are made regarding the additional ten cents the information is given with characteristic Oriental sarcasm that it is intended for ricksha fare and to pay them for their trouble in bringing in the bills.

The Chinese shops and banks, as a rule, do not accept the Japanese currency thus, in effect, boycotting the Yokohama Specie Bank.

I believe the Chinese have a saying that one must not wait to dig a well until one is very thirsty. This thought is now applied by foremost Chinese to prevailing

conditions

conditions in that the Chinese may well take warning and prepare for the future; also that they are not now ready successfully resist Japan.

I have the honor to be, Sir,

Your obedient servant,

Thomas Sammons
American Consul-General.

Enclosure:

Copy of this despatch.

Two copies to the Department of State.

Copy to the American Embassy at Tokyo.

710
8/24

Political conditions in Foochow

Sub.

AMERICAN CONSULAR SERVICE. Recd. 5 APR 1915

Ack.

No. 81. Foochow, China, March 27, 1915.

Ref.

Ans.

Subject: Conditions in Foochow. Anti-Japanese feeling increasing. Boycott instituted.

Honorable Paul S. Reinsch,

American Minister,

Peking.

Sir:

I have the honor to report that several days ago the news was generally circulated among the local Chinese that a boycott on Japanese wares had been instituted simultaneously at Shanghai, Hongkong and Manila. The news was received by telegraph from the first-named port, and it was requested that the local merchants agitate a similar boycott in this province as well. The fear of official condemnation or punishment prevented any public demonstration or discussion of the question, nevertheless, within twenty-four hours the boycott matter was discussed generally. The circulation of a rumor to the effect that the Yokohama Specie Bank at Shanghai had failed to cash notes, etc., presented for payment, precipitated a local run on the Taiwan Bank, and this Japanese institution must have had its time well occupied in paying out within three days the reported sum of 300,000 dollars. Crowds of Chinese kept the bank busy clamoring for a redemption of notes or refund of deposits, and it is a known fact that

ordinary

800.

No. 21. Foochow.

-2-

ordinary business could only be transacted after pro-
longed delay. Both checks and notes of the said bank
are now refused acceptance in the city.

That a quiet or secret boycott against the Japanese is now being promoted in Foochow is beyond question a fact, and that the movement is a most popular one must also be recognized. Some of the principal merchants are prominently concerned in the matter, and the quiet and orderly manner in which the boycott is being handled locally, contrasts strongly with the noisy and destructive demonstrations had recently in Shanghai. The local merchants evidently intend giving the Japanese Government no cause for official complaint, and the provincial authorities no reason for official interference. The consensus of opinion among the better class of Chinese merchants is that the successful institution of a general boycott against the Japanese would be disastrous to the latter from a financial point of view, and that the powerful weapon thus wielded would soon force the Japanese Government to withdraw its demands upon the Central Government at Peking.

I have the honor to be, Sir,

Your obedient servant,

Albert W. Gontrum

Consul.

(Copy to Department)

800.

(Copy for the Legation, Peking)

Anti-Japanese sentiment in Amoy

Sub.....

Recd. 5 APR 1915

Ack.....

Ans.....

Ref.....

Ans.....

Amoy, China, March 27, 1915.

ANTI-JAPANESE SENTIMENT IN AMOY.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

I have the honor to inform the Department that considerable uneasiness is apparent, in Amoy, due to the prolonged negotiations pending between China and Japan in regard to the Japanese demands. Despite efforts to suppress the news of the negotiations, telegrams from various sources are published and in most cases they are wild and baseless rumours. This has naturally a tendency to create doubt as to the successful outcome of the negotiations and as to the people of this Province have for many years past believed that Japan's ambition was to acquire unlimited control in the Fukien Province they are apprehensive.

On the night of March 24th, a "handbill", copy and translation of which is herewith enclosed, was circulated throughout the City calling upon the people to boycott the banknotes of the Tai-wan Bank (Japanese, with headquarters in Formosa) and to start a partial boycott of Japanese goods and to prepare to resist the Japanese with force. A reading of the "handbill" will

will show that it was prepared to excite the more ignorant of the population to violence and the Acting Magistrate and Police issued a joint proclamation, translation of which is herewith enclosed (Enclosure No. 2.), to counteract its effects and to prevent its circulation. Their efforts, however, were not very thorough as a second handbill has since been issued, copy of which will be forwarded when the translation has been completed.

To guard against a run on the Bank, which started yesterday morning, the Tao Yin (道尹) of Amoy posted a proclamation at the entrance of the Bank as per the enclosed translation (Enclosure No. 3.). Although a number of people converted banknotes into silver during the morning hours the run had practically ceased at noon but upon the proclamation being posted a large crowd assembled to read it with the result that excitement increased. Although the date set in the "handbill" for boycotting Japanese banknotes is April 1st. confidence in the ability of the Bank to meet its obligations is not seriously threatened. The local Chinese exchange banks have agreed to receive the notes in exchange for silver and this action will tend to neutralise the boycott unless serious disturbances should result. The situation will be carefully watched and reported on should events of importance occur.

I have

I have the honor to be,

Sir,

Your obedient servant,

F. D. Jamieson

AMERICAN CONSUL.

Sent through the Legation, Peking.

Enclosures:
#1. Handbill issued by the people of Fukien.
#2. Proclamation issued by the Acting Magistrate & Police of Amoy.
#3. A Proclamation issued by the Tao Yin of Amoy.

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AMERICAN CONSULATE
AMOY, CHINA.
Enclosure No. 1 in despatch
No. — of March 27, 1915.

Translation.

With tears we beg to call the attention of our kinsmen both at home in China or abroad, to this notice.

The wretched dwarfs are agressively haughty. They look down upon China. They have desired our soil for a long time. Since Tsing-tau was seized they have increased their troops in Shang-tung. They encroach on our sovereign rights. They disturb our neutrality. They violate our sisters. They slay our brothers. They disturb order and peace. In spite of all they make peremptory demands for railroad and mining concessions, policing rights and free residence in Manchuria, Shang-tung and Fukien (福建). They act arbitrarily and without restraint. They intend to make an India and Korea of us. The rise or fall of a country depends upon its individual citizens. Oh! grand is the Republic of China. Shall we submit, with thirty million square miles of territory and four hundred million people, and be subjects, cowardly and fearfully, under that petty country and with our two hands, hand over sovereignty to them? That which will back up diplomacy is the people. Oh! our fathers and brothers, let us cherish no hope with the Government nor shall we blame it and fold our hands and look upon the situation. Those running the Government are also human beings. Their ability, energy, wisdom, and courage are no better than those of the common people. In fact they are more easily frightened.

If we do not plan how to overcome the situation, the the Government will concede everything that is asked only fearing

[illegible] that they are too slow in doing it, believing that they are doing right. The case of Urga, with [illegible], can serve as an example. The question today is, therefore, not a question which concerns not only the few men in the Government or a certain class of men but the people of the whole country. When there is such a thing before us, affecting the whole country, if we still amuse ourselves and act as sets pretending to be controlling our passions while, in fact, demonstrating our helplessness, shall we not be ashame of ourselves and subject ourselves to contempt?

The duty before us is to be united in one heart and discharge our heavenly duties. If the Government can act as our representative, laying down their lives to oppose the demands, it will be our business then to give our money to the war fund and join the army to protect the country, otherwise, let the sons of Huang Ti (黃帝) and the decendants of the Great Han, (大漢) who have always been endowed with an anti-foreign feeling, grasp their bamboo sticks and wooden staffs, take their swords and rakes.

Let our livers and brains be strewn over the country. Let us fertilize the grasses in the wilderness with our blood and flesh. Let us determine our little chance of life in this way. Fathers, brothers, aunts, and sisters! Let every one of you think of the misery and grief he will suffer when his country is lost and home destroyed. Let us be of one mind against our common foe. Get up your courage and defend yourselves with all your might. As the saying goes "better be a chicken's mouth than a buffalo's breech".

Another

nother proverb says, "better be like a jade stone
ushed than like an unbroken tile." Oh! fathers, bret-
ers, aunts, and sisters, please think of it.

We now beg to draw up a few articles, as below.
e hope you will stand firm and encourage each other. Let
thers prevail upon their sons and elder brothers urge
their younger brothers. Husbands and wives, freinds and
associates mutually encourage. Be of one heart to carry
the work through and without fail. The spirit of our
ancestor Huang Ti (黃帝) will surely be assisting us
in Heaven.

A. Let us with immediate efforts stop the use of
ur enemy's bank notes. The First of April being the day,
rigidly set, for the boycott of the Tai-wan bank notes
nd notes of any corporation of our enemy's country.

B. Petition the Government for permission to or-
anise corps of volunteers.

C. Gradually refrain from the use of goods of our
enemy.

D. Curtail our expenses and save the money for the
war fund.

E. Awaken our country-men to combined efforts to
ave our country.

F. Train ourselves and be prepared to join the army.

This day of the Moon of the 4th Year of the
Republic.

The whole people of Fukien.

AMERICAN CONSULATE,
AMOY, CHINA.

Enclosure No. 2 in despatch

No. ____ of March 27, 19 15

Translation.

We, Huang (黃), the Superintendent of Police of Amoy, and Lai (來), the Acting Magistrate of the Sun Ming Hsien (思明縣) district, have issued this proclamation to state that recently we have been informed that lawless persons have distributed a handbill on the streets containing exciting statements intended to provoke hostilities. All who understand the general situation will please not believe its contents but immediately destroy it, when it comes into your possession and not to pass it to another person. You are allowed to arrest any person to the nearest police station for punishment.

Having distributed constables in different parts of the city to search for and arrest the persons distributing the handbill we have now issued this proclamation for the notification of the people of all occupations, in Amoy.

A special proclamation.

This 24th day of the 3rd Moon of the 4th Year of the Chinese Republic.

AMERICAN CONSULATE,
AMOY, CHINA.

Enclosure No. 3 in despatch

No. — of March 27, 1915

Translation.

I, Tao-Yin of Amoy, have issued this proclamation to state that the Japanese Consul in Amoy has informed this office, in person, that a hand-bill has been circulated in Amoy inciting people to boycott the Tai-wan Bank notes, in circulation in Amoy, and he requests this office to stop the circulation of the hand-bill.

The public is hereby notified that the Bank of Tai-wan has always enjoyed its credit which fact has been acknowledged by all people in Amoy. It is, however, feared that some ignorant people, wrongly giving their belief to the handbill, will present their notes for exchange or hesitate to accept them thereby causing inconvenience to business. For this reason this proclamation is issued for the attention of all people in Amoy and the public is hereby directed to circulate the notes as usual and not be misled by the handbill. Urgent.

Amoy Tao-Yin Wang Shou Chen (汪守珍).

This 25th day of the 3rd Moon of the 4th Year of the Chinese Republic.

To be posted at the gate
of the Tai-wan Bank.

Attempted mutiny in Honan

Sub.
Recd.
Ack. 5 APR 1915
Ans.

L. No. 189.

AMERICAN CONSULATE GENERAL,
Ans.
Hankow, China, April 1, 1915.

Subject: Attempted Mutiny in Honan.

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

800

Sir:

I have the honor to enclose herewith for the Legation's information a copy of an article of the Hankow Daily News, dated April 1, 1915, in regard to an attempted mutiny of soldiers stationed in Shekichen, Honan.

I have the honor to be, Sir,
Your obedient servant,

Horace Kemillard

American Vice Consul in Charge.

Enclosure:

As stated.

800.

Enclosure No. 1 with despatch No. 189

dated April 1 1915., from the

American Consulate General, Hankow, China.

SOLDIERS' MUTINY IN HONAN.

The Hankow Daily News, Thursday, April 1, 1915.

From our own Correspondent.

Shekichen, March 25, 1915.

Discontent on account of arrears in pay culminated in an attempted mutiny of some of the soldiers stationed here last week.

A plot had been formed to rob the cash shops and wealthier houses, but a non-com. officer who had been forced to participate in the intended outbreak, warned the official in time. The latter promptly sent for assistance from the Brigadier General and then ordered the discontented men to parade without arms outside the East Gate, so that their difficulties might be talked over. During their absence cavalry came in from Nanyang by the West gate and seized the guns of the would-be mutineers. The returning soldiers finding that they had been rendered powerless stabbed the man whom they suspected of betraying them and then fled. Three have been captured sent to Nanyang and executed. A number are still at large and yesterday a house to house search was being made for them. They may have difficulties in escaping as most, if not all, are from Shantung or Chihli and their pronounciation is quite different to that of the local people. The energetical action of the military official has saved the town from

what

what threatened to be a serious trouble. The "Lien Chang" in command of the mutinous men has been dismissed.

This district on the whole remains quiet, though the poverty of the people is extreme, and must be so until after the harvest.

The clam is due partly to the number of soldiers in the district and probably in part to the fact that so many of the dangerous men, who might have headed robber movements, have perished with the White Wolf bands, or have submitted to the authorities and have been enlisted.

The number of thefts in the town is largely on the increase owing, no doubt, to the disbanding of the police force. There is at present no one responsible for the policing of the town.

Peking.

No. 597. April 5, 1915.

STRICTLY CONFIDENTIAL

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

In continuation of my despatch No. 571 of March 6th, I have the honor to enclose, for the information of the Department, a number of articles from newspapers published in China dealing with the present negotiations between China and Japan.

The progress of the negotiations has been reported to the Department in the following telegrams: March 8th, 7:00 p.m.; 12th, 7:00 p.m.; 13th, 10:00 p.m.; 17th, 7:00 p.m.; 22nd, 6:00 p.m.; 24th, 12:00 p.m.; 25th, 12:00 p.m.; 27th, 9:00 p.m., and 31st, 6:00 p.m., and April 2, 3:00 p.m. I shall therefore confine the present despatch to a few observations on the general nature of the negotiations and on

and on some incidental features.

I. While, as it appears, a distinction was made by the Japanese Government, in conversations with other governments, between "demands" and "requests", no such differentiation has been observed here. The demands as presented to the Chinese Government on January 18th last (communicated to the Department in connection with my No. 571 of March 6th) include those matters which have been subsequently characterized as "requests"; nor has the Japanese Minister in his negotiations with the Chinese Foreign Office ever placed these matters in a different category from the rest of the demands.

On January 27th it was given out, both at Tokyo and Washington, upon the "highest authority", that the information purporting to outline the basis of negotiations "is absolutely without foundation". When, notwithstanding the strongest efforts on the part of Japan to enforce silence by menacing China and by muzzling the press in Japan, accurate information got abroad, the Japanese Government then presented to the Powers an expurgated version, from which the more objectionable articles had been omitted. Now these articles are treated as "requests" abroad, while in China they have always remained "demands".

It is reported in the press, from official Japanese sources, that an opinion is held in Japan, according to which events which happen or action which is taken in connection with the present war cannot be considered a violation of the Root-Takahira Agreement, as this was made to maintain the existing status quo which is now being

nation-clause. In 1908 the attempt to claim the right under this principle was abandoned by Japan. It is apparent that as far as the most-favored-nation-clause goes, it is only the Christian missionaries from Japan who might claim the benefit of its operation; discrimination could be urged only by the Buddhist church; but as this is one of the great religions of China, it is plain that it could not argue discrimination against itself.

III. Among the demands notified to the Powers is one relating to the Hanyehping mines enterprise: it was, however, communicated in a very reduced version, viz:

Demand as: made upon China,	communicated by Japan to Powers,
III. The Japanese Government and the Chinese Government, seeing that Japanese financiers and the Hanyehping Co. have close relations with each other at present and desiring that the common interests of the two nations shall be advanced, agree to the following articles:	III. Agreement in principle that, at an opportune moment in future, Hanyehping Co. should be placed under the Japanese and Chinese co-operation.

Article i.

The two contracting Parties mutually agree that when the opportune moment arrives the Hanyehping Company shall be made a joint concern of the two nations and they further agree that without the previous consent of Japan, China shall not by her own act dispose of the rights and property of whatsoever nature of the said Company nor cause the said Company to dispose freely of the same.

Article ii.

Article ii.

The Chinese Government agrees that all mines in the neighborhood of those owned by the Hanyehping Company shall not be permitted without the consent of the said Company, to be worked by other persons outside of the said Company; and further agrees that if it is desired to carry out any undertaking which, it is apprehended, may directly or indirectly affect the interests of the said Company, the consent of the said Company, shall first be obtained.

It will be seen that all the features that would make this demand inimical to the independence of China and the treaty rights of foreign nations were omitted. Not only is it asked that the Chinese Government shall limit the rights of the Chinese Company freely to dispose of its property (Article i), but the most far-reaching right of interference with all mining and allied enterprises without limitation of locality is involved in Article ii. In granting the second article, the Chinese Government would give to a company controlled by Japan the right to give or withhold its consent to any enterprise or undertaking which may directly or indirectly affect the interests of the said company: in other words, the company would be made the arbiter of mining development in China.

Only on condition of entirely relinquishing their treaty rights and abdicating all opportunities for sharing on an equal and self-respecting basis in the development of the natural resources of China could the foreign Powers consent to such an arrangement. In con-

conflict

flict with existing treaties, such an arrangement could not be made valid by agreement between Japan and China except with respect to such Powers as may subsequently give their assent thereto.

IV. From the point of view of the sovereignty and independence of China, the dangerous character of the present demands lies in the fact that many of them would not be satisfied through concessions for definite enterprises dealing with a limited area commensurate with the scope of the undertaking: they are such as import a direct interference with the general operations of government and expressions of sovereignty. Such is the case with the demand to allow to a Japanese-controlled company an important voice with respect to industrial enterprises in China; such would be the effect of agreeing to purchase any fixed quantity of military supplies from a foreign Power, as this would involve allowing such Power an insight into the complete military system of China, as well as the right to determine the types of her armament. Other demands affecting China's independence are those relating to residence in the interior without relinquishment of extraterritoriality; the compulsory appointment of advisers; compulsory preference to one nation in certain provinces, and dictation as to what missionary activities are to be permitted in the interior, while extraterritoriality lasts.

The Chinese Government is confronted with a serious dilemma of inviting the hostile attitude of Japan through failure to grant such concessions and, on the other hand, of irretrievably resigning important rights of sovereignty if the

being changed through the war. That a foreign war should give any Power the right to interfere in the internal affairs of a peaceful neutral nation and that this very interference should be held to create a new situation entitling such Power to divest itself of treaty obligations to other nations, is certainly a notable course of reasoning. Yet there are indications that the Japanese Government is inclined to treat its action in China as a natural consequence of the European War and justified for that reason.

II. In official declarations made on behalf of the Japanese Government it has been repeatedly stated that the demands made on China are simply "discussions of outstanding questions". Only in the sense that Japan already has interests in China and that anything she may possibly ask may be considered an extension of her existing influence could the majority of the present demands be considered as at all relating to pending questions. However, as far as their specific substance is concerned, the following are new demands, not in any direct sense concerned in previously pending negotiations:

1. The right of residence and land-ownership in Manchuria.
2. The right of railroad building and loan preference in Manchuria.
3. Exclusive mining rights within large areas.
4. All demands respecting Inner Mongolia.
5. The extensive implications of the articles relating to the Hanyehping Company.
6. The compulsory employment of advisers.
7. The compulsory purchase of military supplies.
8. The joint organization of police.
9. Industrial preference in the Province of Fukien.

The demand with respect to the propagation of Buddhism in China had been discussed from 1903 on between China and Japan on the basis of the most-favored-

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if the concessions are made: the latter alternative would also involve the danger of entirely forfeiting the confidence of the Chinese people, who have been assured that the Government is in this negotiation strongly protecting their interests. It is therefore feared that should Japan succeed in extorting these far-reaching concessions from China, a powerful movement of opposition against the Government which has made such concessions would rise as soon as the facts would become known: thus, the Chinese Government finds itself between the dangers of a foreign war and of internal revolution.

V. American residents in China, in common with the British and other Europeans, are greatly apprehensive as to the outcome of the present negotiations. It is believed that the effect upon Japan of successfully carrying through the present venture and thus imposing her will upon China will not result favorably to the peace of the Far East or of the world, in the immediate or more distant future.

The position of this Legation has not been without difficulty. Considering the feeling of real friendship for America which animates the Chinese people and the expectation connected therewith that the United States would not without protest permit the independent rights of China to be overridden, there has been some difficulty in preserving an attitude of friendliness while carefully avoiding to give any encouragement to the idea that the United States might actively intervene in behalf of China for the sake of friendship and in the cause of international justice. In cases where a discussion

of these

of these matters could not be avoided, I have strictly confined myself to the position that, notwithstanding what the demands of Japan and the action of China might turn out to be, American treaty rights here could be affected only with the consent of the American Government, and that, therefore, Americans would expect to continue to participate in the commerce and cultural development of China on an equal and independent basis. During the course of negotiations I have been repeatedly consulted by Chinese officials with respect to various aspects of the problems presented, and I have restricted the expression of my views to a consideration of the legal implications of the questions presented, avoiding anything that might be taken as advice on matters of political action.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

As stated.

800.

A true copy of the signed original.

PEKING SERVICE.

(From Our Own Correspondent.)

DISCUSSIONS ON THE JAPANESE DEMANDS.

Peking, March 18.

At the last conference between the Chinese Ministry of Foreign Affairs and the Japanese Minister the latter adopted a very decided attitude and showed no inclination to modify the Japanese demands as originally presented. The meeting dealt with the South Manchurian demands and after much discussion, the Chinese agreed to give Japan preference for future railway loans in South Manchuria and for any other loan for which the taxes of South Manchuria are given as security. China also agreed that in the event of her finding it necessary to appoint military, political, financial and police advisers or instructors that only Japanese subjects should be employed. The Japanese Minister was very firm in demanding that the Japanese be allowed not only farming and mining rights but that they should enjoy full Extra-Territorial privileges. At one of the meetings a short time ago with regard to land ownership the Chinese by way of compromise had offered to open many towns in South Manchuria to foreign trade which it was hoped would be satisfactory to the Japanese. Instead of accepting this as a form of compromise the Japanese have included this in their demands for land ownership presented at the last meeting. That is to say that besides demanding that Japanese shall be allowed to open mining, farming and other lands, the Chinese shall open up the most important of the Manchurian towns to foreign trade and give the Japanese the right to hold property in these districts. The seriousness of this demand can be understood when it is pointed out that the Japanese wish to open land all over the Province and yet not to come under Chinese laws in any way or to be amenable to the Chinese for taxation. On this point the Chinese seem to be standing very firm. They point out that if the Japanese are allowed to own property all over the country it will be the means of continual friction and it will be impossible for them to maintain order. Japanese subjects will be able to do as they like, and no matter what crime they commit China will be able to bring them to book only through the Japanese Government representative. They rightly claim that this infringes their administrative integrity and that it will be impossible for them to maintain even a nominal control over Manchuria if they grant this particular demand.

In Washington [illegible] it is stated that the British, American, French and Russian Ambassadors in Tokio placed a communication before the Japanese Government in which they call attention to Japan's treaty obligations concerning China's integrity and their special rights and privileges in China. While it is stated that the communication is very carefully worded it is believed that it conveys a stronger meaning, and much interest is being evinced as to its real nature. If this report is true it affords ample proof of how serious the foreign Governments consider Japan's present attitude. It is clear now that the attempt to hide from the Governments of Europe and America the true nature of the original demands has failed, and that the reprehensible tactics of Japanese diplomats and statesmen are being considered in their true light. The attempt to discredit foreign correspondents of the European and American papers has also failed, and although for a time the majority of the large foreign journals refrained from printing reports and telegrams from their Peking correspondents on account of repeated semi-official denials which were circulated in the great cities of the world, they are now publishing the telegrams in full and the change in their tone during the past two weeks is remarkable. Difficult as it is to believe, it is now clear that a deliberate attempt was made to cover up the real nature of the Japanese attempt to come to a secret understanding with China which undoubtedly affected not only her administrative and territorial integrity but infringed the rights and privileges of other countries which Japan, in accordance with treaties and her pledged word, had solemnly promised to observe. Can she wonder now that the world doubts that she entered into hostilities with Germany simply to carry out the terms of the Anglo-Japanese Alliance and to preserve the peace of the Far East? Can she expect the nations of the world to believe that she is carrying out her present campaign in China with the object of preserving the integrity of China and of trying to help it along the road of progress? If these suspicions have been aroused and doubts have been cast as to the confidence that can be placed in her pledged word, she has only herself to blame. And if she wishes to restore that confidence which was hers up to only a few weeks ago she can do no better than place before the world what are her real aims and ambitions in China. The half hearted confidences which she has made to the countries allied to her during the past two months place her in a very peculiar light and it may be taken for granted that the lack of frankness with which she has treated them has come as a rude surprise.

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...March 22nd.

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...discuss the opening of the places in

...Eastern Mongolia. It is stated that

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...Japanese being given the privilege of

...owning farm lands in the interior, the

...Chinese gave in to the extent of ex-

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...them to farm and own land on the

...condition that they came under

...Chinese jurisdiction. The Japanese

...strongly opposed this and claimed

...that under no conditions would they

...forego their extra territorial privileges

...and that if China insisted on adhering

...to that position it would be difficult

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...previous article, forcing China to

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disastrous consequences to China. This and many other movements connected with the demands resemble to a most alarming extent Japanese procedure previous to the annexation of Korea, and for this reason alone one can well understand the nervousness of the Chinese. Looking at the Japanese demands as they affect Manchuria from an outsider's point of view it would seem that Japan is trying to secure control of this vast territory to the exclusion of everybody else but at the same time trying to avoid the word "annexation" at the present moment. It would be an ill-chosen word at the present, when she has made so many statements concerning the preservation of China's integrity etc. There is no gainsaying the fact that should Japan secure all that she is demanding with regard to Manchuria that China's rule of that part of the country will at the most be only a nominal one. It has been pointed out in connection with the ownership of land that the Chinese landowners need not sell their property to the Japanese unless they want to and that perhaps for patriotic reasons they would not do so. This idea might work very well in theory but one can imagine what would happen if the small Chinese farmers were to act in this manner when once the Japanese had consolidated their position by flooding the place with immigrants. Any quarrel that might arise between Chinese and Japanese would be settled according to Japanese law if the charge was one preferred against a Japanese subject and to any one who has come in contact with the vagaries of Japanese law in Korea or Japan the possibility of the plaintiff's success appears most remote. On the other hand if the plaintiff is a Japanese the case would have to be tried in a Chinese court, the presiding officer of which would find himself in such a position owing to the pressure that could be brought to bear to secure his removal that there are doubts as to whether he would be able to give a just decision. This is only one of the many complications that are likely to arise in the event of the Japanese being granted all they wish in Manchuria. Railway and mining concessions they have already been granted the monopoly of, besides many other points which already give them a predominance in Manchuria. which one would have thought would have satisfied them. Although Japan has stated that she stands for the Open Door it would seem by the manner in which she is trying to edge everyone else out that it is free competition she is afraid of. It is safe to say that if things go on as they have been doing for the past few years in those parts of Manchuria controlled by Japan it will not be any great length of time before British and other foreign trade will be non-existent in that ... China. The Open Door in Manchuria is a misnomer and has been for some time past. By reading the demands which form the subject of this article she has given every indication that she intends to make every effort to exploit the riches of the most flourishing provinces to the exclusion of all other nations. Those who have studied the question have repeatedly stated that Japan is entitled to certain privileges in Manchuria and many of those who have recently advocated that certain claims of Japan should be strongly supported by the Powers have now considerably modified their views on account of the magnitude of the demands which have lately been made on China; for the picture of an ever-increasing crowded country anxiously looking for a natural outlet for its future ... lions is replaced by that of an overbearing body, intent on seizing all that comes its way regardless of the rights of others.

SERVICE.

(Correspondent.)

JAPANESE
NEGOTIATIONS.

TWO IMPORTANT
MEETING.

Peking, March 22nd.

From enquiries at the Japanese legation I learn that the Japanese Minister, Mr. Hioki, is making satisfactory progress. Subsequent examination to the discovery that one of the wounds in his leg had been poisoned and that it was not of a serious nature to prevent him having his bed. Much satisfaction has been expressed at the rapid recovery he is making and his many friends both official and civil will be glad to see him out again.

To-morrow there is to be another meeting of the Chinese and Japanese representatives for the discussion of the Japanese demands. This meeting is to take place in the Japanese legation and it is believed that the Japanese Minister will be sufficiently well to conduct the negotiations on behalf of Japan. Much importance is attached to to-morrow's meeting as this will be the last meeting before the elections and it is believed that great efforts will be made towards a definite settlement of the most important of the demands. As far as can be gathered nothing of a decisive nature was arrived at in the meeting held last Saturday wherein Mr. Obata, First Secretary of Legation, represented Japan. It appears that the Japanese had demanded that the Chinese should throw open to foreign trade twenty-seven towns in South Manchuria and Eastern Mongolia. The Chinese expressed their willingness to open seventeen towns in Manchuria but were not willing to discuss the opening of the places in Eastern Mongolia. It is stated that the Japanese were unwilling to accept this ruling. With regard to the Japanese being given the privilege of owning farm lands in the interior, the Chinese gave in to the extent of expressing their willingness to allow them to farm and own land on the condition that they came under Chinese jurisdiction. The Japanese strongly opposed this and claimed that under no conditions would they forego their extra territorial privileges and that if China insisted on adhering to that position it would be difficult for a satisfactory arrangement to be arrived at. As was pointed out in a previous article, forcing China to grant or sell to her subjects land in the different parts of the vast province and denying China any control over them could only result in the country being thrown into a state of chaos which might lead to the most disastrous consequences to China. This and many other movements connected with the demands resemble to a most alarming extent Japanese procedure previous to the annexation of Korea, and for this reason alone one can well understand the nervousness of the Chinese. Looking at the Japanese demands as they affect Manchuria from an outsider's point of view it would seem that Japan is trying to secure control of this vast territory to the exclusion of everybody else but at the same time trying to avoid the word "annexation" at the present moment. It would be an ill-chosen word at the present, when she has made so many statements concerning the preservation of China's integrity etc. There is no gainsaying the fact that should Japan secure all that she is demanding with regard to Manchuria that China's rule of that part of the country will at the most be only a nominal one. It has been pointed out in connection with the ownership of land that the Chinese landowners need not sell their property to the Japanese unless they want to and that perhaps for patriotic reasons they would not do so. This idea might work very well in theory but one can imagine what would happen if the small Chinese farmers were to act in this manner when once the Japanese had consolidated their position by flooding the place with immigrants. Any quarrel that might arise between Chinese and Japanese would be settled according to Japanese law if the charge was one preferred against a Japanese subject and to any one who has come in contact with the vagaries of Japanese law in Korea or Japan the possibility of the plaintiff's success appears most remote. On the other hand if the plaintiff is a Japanese the case would have to be tried in a Chinese court, the presiding officer of which would find himself in such a position owing to the pressure that could be brought to bear to secure his removal that there are doubts as to whether he would be able to give a just decision. This is only one of the many complications that are likely to arise in the event of the Japanese being granted all they wish in Manchuria. Railway and mining concessions they have already been granted the monopoly of, besides many other points which already give them a predominance in Manchuria which one would have thought would have satisfied them. Although Japan has stated that she stands for the Open Door it would seem by the manner in which she is trying to edge everyone else out that it is free competition she is afraid of. It is safe to say that if things go on as they have been doing for the past few years in those parts of Manchuria controlled by Japan it will not be any great length of time before British and other foreign trade will be non-existent in [illegible] China. The Open Door [illegible] is a misnomer and has been [illegible] some time past. By studying the demands which form the subject of this article she has given every indication that she intends to make every effort to exploit the riches of the most flourishing provinces to the exclusion of all other nations. Those who have studied the question have repeatedly stated that Japan is entitled to certain privileges in China and many of those who have persistently advocated that certain claims of Japan should be strongly supported by the Powers have now considerably modified their views on account of the magnitude of the demands which have lately been made on China; for the pressure of an overcrowded country anxiously looking for a natural outlet for its future needs is replaced by that of an aggressive body, intent on seizing all that comes its way regardless of the rights of others.

THE SINO-JAPANESE NEGOTIATIONS.

Peking, March 24.

The conference which was held yesterday at the Japanese Legation for a further discussion of the Japanese demands was a prolonged one but passed off without the anticipated excitement. The questions mainly dealt with were those in connection with Manchuria and the Chinese Government finally initialled five of the clauses under that heading but those points which touched on matters coming under the head of Eastern Inner Mongolia were not included. The latter part of the Conference was devoted to clause dealing with the Han Yeh ping mines etc. but nothing of a definite nature was arrived at. With regard to the latter the Chinese seem to be in a quandary as to the right attitude to adopt owing to the possibility of their conceding something to Japan which will throw them later into conflict with Great Britain or be the means of raising certain diplomatic questions of importance between Great Britain and Japan. The Chinese seem to feel that a clear definition of what Great Britain considers her position in the Yangtze would materially assist them to in their present negotiations and prevent them from making certain concessions to Japan which might lead to all round complications through the rights and privileges of others being stepped upon and the possibility of China being held responsible for the ensuing trouble. They consider that owing to the position that Great Britain is at present holding in that part of China that, knowing the difficulties with which China is at present faced, the British Government should come forward with a statement of its position so as to assist China to bring the present negotiations to a satisfacory conclusion without in any way interfering with the present or future interests of Great Britain. Chinese officials have expressed fears that being threatened and driven as they are at present that they will be forced to concede certain concessions to the Japanese for which they will be made to suffer by other nations in the future, either because they trespass upon their treaty rights or are concessions which have been refused them when they had demanded them previously. The Chinese claim that should they be subjected to such treatment in the future it will be both unfair and unreasonable. The Powers are now all aware of the demands which the Japanese have made and how China has endeavoured to preserve her territory and dignity. They are likewise aware of the manner in which not only has the Government been threatened and bullied but how threats were used to the President himself on the occasion of the demands being presented. The Chinese fail to see how, if all this is taken into consideration they can be possibly blamed should concessions by wrung from them which at some later period will be found to conflict with their interest. If the Powers have any objection to make concerning the demands it should be made at the moment for it stands to reason that if China is unable to protect herself that it is impossible for her to protect their interests. The country mostly concerned is Great Britain and although it is known that the Demands made by Japan on China have been the subject of an official communique, its nature is not known nor is it known what is Great Britain's exact attitude with regard to those demands which undoubtedly affect her present and future interests, especially in the Yangtze. The fact that Great Britain has moved at all leads China to think that there are certain phases of the demands which she objects to and that she wishes to dissociate herself from the aggressive action of Japan on the whole. The Chinese Government is now looking with an expectant and hopeful eye toward Great Britain in the hopes that she will give some sign of her real intentions and that they will be sympathetic and helpful.

COUNT OKUMA'S LATEST ALLOCUTION.

In another column we reproduce the report of an interview which Count Okuma granted to a representative of the *Osaka Asahi* while on a visit to the city of Osaka in connexion with the parliamentary elections fixed to take place yesterday, particulars of which have not yet reached Peking. The aged Japanese said much that is open to criticism; but we propose to limit ourselves to a consideration of his remarks relating to the charge of procrastination which he has—without regard to historical accuracy—suggested against the Government of this country and to the incredible statement that the Government of the United States of America—the administration of President Wilson—has expressed "its entire approval" of the corpus of demands which Count Okuma and his colleagues are at this moment exacting of China in circumstances which it would be intellectually dishonest to describe as other than precisely similar to the case of a robber demanding a traveller's gold at the point of a loaded revolver.

The suggestion of Count Okuma that a policy of procrastination characterised at any time the conduct of the Chinese plenipotentiaries who are entrusted with the negotiations on behalf of their country is not less inaccurate than insulting. The First Minister of His Imperial Majesty the Emperor of Japan knows that—although he and others are demanding of China a charter of privileges, monopolies and prerogatives unknown in the entire history of civilised intercourse to have been exacted by one state from another state that does not lie in the dust of defeat—the Government of this country has shewn anything but a Fabian policy throughout the course of the grave negotiations initiated by His Excellency the Japanese Minister on the historic afternoon when, in words spoken only by the representative of a Suzerain to the petty chief of a tributary state, the greatest Chinese of modern days was bidden to surrender rights leaving him the emasculated ruler of a still virile nation that has seen the rise and fall of Egyptian Pharaohs, of Greece and of great Rome. From that day in January—never to be forgotten by our people—to the date of the unfortunate accident to the Japanese Minister when he was thrown to the ground before the gates of the Forbidden City and since then and down even to yesterday, the calculated policy of the Chinese Government has been to assist the progress of the Conference now in session on the demands and lead the negotiations to a speedy and peaceful settlement. And in addition to other reasons, this course has been deliberately selected by the Authorities in order precisely to guard against the suggestion of procrastination which Count Okuma—with singular lack of accuracy and with not a little disingenuousness—has considered it not improper and dishonest to direct against men who, to his knowledge, have been anxious to expedite the work of the Conference consistently with the care and attention exacted by a catena of demands involving not less than the practical recognition of Japan as the hegemonic authority in China. In this connexion, it is necessary to notice specifically a report which the Japanese press has been featuring in its columns. It is alleged that, while the ninth session of the Conference which was held on Thursday the 11th inst. was in

progress, the President summoned the Foreign Minister, Mr. Lu Cheng-hsiang, to the Palace on "urgent business" with the result that the session was terminated in a manner indicating that the Chinese Authorities was resorting to a "new device" to delay the work of the Conference. We have made inquiries on the subject in the proper Chinese and Japanese quarters and the following authoritative account of the alleged incident has been elicited. Shortly before the Conference sat on the day mentioned, the Ministers of two Foreign Powers accredited to China called at the Wai Chiao Pu in connexion with a complaint that demanded the instant attention of the President. At the opening of the session in question, the Foreign Minister intimated that he would be unable to continue the negotiations beyond six o'clock on account of the urgent necessity that existed for an interview with the President on the subject of the complaint made by the two Foreign Ministers. The Japanese Minister at once assented and at six o'clock the meeting terminated. Because the session ended at six instead of seven o'clock on the day in question, the Japanese papers have been indulging in the most insulting insinuation at the expense of this country; and judging from the suggestion of Count Okuma regarding the alleged procrastination of the Chinese Authorities, it seems that he also has been placing a mischievous interpretation on an incident concerning which Dr. Hioki could not have failed to communicate to him the actual facts.

We turn to Count Okuma's incredible statement that the Government of the United States has expressed "its entire approval" of a chain of demands which must strike the most unsubtle mind as an audacious attempt to subject China to an international system in which Japan shall direct and use the entire resources and the men of this country to ends in ultimate conflict with that distribution of the force of nations which now and in the future must continue to guarantee—not alone the independence and integrity of China—but the security of the Pacific possessions of America as well as the Australian dominions of Great Britain and, in certain probable events, the safety and the security of the Pacific seaboard of America. To imagine that Americans would consent to allow Japan to impose on us a regime of conquest, involving, not only a flagrant breach of the most solemn and unambiguous pledges registered in the state papers constituting the Root-Takahira Agreement of 1908, but a menace and a peril which by the logic of destiny must end in Japanese hegemony of the great ocean and mastery of the rich lands washed by its waters—to imagine, to believe that President Wilson and his countrymen would suffer such a great wrong and such a great danger to be perpetrated and not utter words of gravest warning and dissent would leave us in deepest despair of the White Man and his morals and his culture.

JAPANESE SPECIAL PLEADING.

[*Contributed.*]

The worst and flimsiest of cases can always find advocates. These in some instances are inspired by passion and prejudice, in others by the knowledge that the difficulty of advocacy will justify an enhancement of reward. Many Japanese publicists who have endeavoured to show that in making notorious demands upon China, Japan was acting in accordance with morality and a correct regard for treaty obligations, no doubt found their source of inspiration in perverted patriotism. This is a palliation of their offence of methodical misrepresentation even though it be a sinister indication of the superficiality of the "culture" which Japan is supposed to have substituted for the predatory and bloodthirsty instincts of feudal times. The other species of special pleaders includes foreigners who are either prepared to sell their beliefs for what is considered a fair equivalent in Japanese gold, or who return to their countries from Japan with the echoes of fulsome flattery, supplied by order at dinners at the Maple Club at Tokyo, still ringing in their ears. This species might be roughly divided without danger of sustaining a charge of nature-faking, into knaves or fools.

A recent article in the *Osaka Mainichi* is a characteristic example of the special pleading by which Japan attempts to justify her aggressive attitude towards China, and on that account is worthy of consideration. This Japanese paper declares that the settlement of the negotiations in regard to the demands is due to China's inability to understand the tendency of the world's political movements and to her insincerity. The world, it is declared, has adopted a new interpretation of the principle "preservation of China's territorial integrity." In support of this it is pointed out that the treaty between Great Britain and Germany in October, 1900, first adopted the principle of the preservation of the *status quo* and the territorial integrity of China, but that subsequently Germany recognised Russia's influence in Manchuria and declared that Manchuria was not within the scope of the treaty with Great Britain. When, after the establishment of a Republic in China, Outer Mongolia declared its independence and concluded a treaty with Russia, no steps were taken in accordance with the treaty of alliance between Great Britain and Japan to preserve the territorial integrity of China. Similarly disturbances occurred in Tibet which showed that Tibet stood in the same relation to Great Britain as Mongolia to Russia. This goes to prove that the guarantee of the preservation of the territorial independence of China does not apply to Manchuria, Mongolia and Tibet. Again America, whose Secretary of State, Mr. Hay, secured the adhesion of the Powers to the principle of the Open Door and Equal Opportunity in China, has expressed the opinion that if a large part or the whole of China were placed under the jurisdiction of another nation it would not involve a negation of the principle of the preservation of the territorial integrity of China.

After making these sweeping assertions the *Osaka Mainichi* proceeds to supply its "proof." The opinion of "America," it is announced, is represented by the *San Francisco Chronicle*. This journal, which must feel some little surprise mingled with its pride at learning that it voices the views of the American nation, is alleged to have said that so long as equal trade facilities were maintained in China, America would have no objection to China as a territoral unit being absorbed by another nation. But the supply of "proofs" is not exhausted by reference to the omnipotent *San Francisco Chronicle*. Even a more exalted authority is brought forward. The President of the Japan Association in New York is quoted as pointing out that Japan is geographically the natural "protector" of China. Also he holds that without Japanese military protection Manchuria and Kiaochou would relapse into barbarism. The public opinion of America considers that Japan should be acknowledged as the protector of China's territorial integrity.

Here we find the international sanction for the action of Japan in advancing rough-shod over the scraps of paper that represented the treaties that were to uphold the territorial integrity of China and the principles of the Open Door. Her right flank supported by a Pacific Coast news sheet whose existence is probably unknown to two-thirds of the people of America, and the left buttressed by the unknown President of an obscure mutual admiration society, Japan feels strong enough to repudiate her most solemn engagements! The Osaka paper set out to put the case for Japan before the world. The well-intentioned attempt has certainly proved that whatever other equipment the Japanese may possess they are woefully deficient in a sense of humour, and an appreciation of the intelligence of those whom they seek to convert. The deliberate falsification of contemporary historical data and the appeal to the authority of uninformed nonentities in the endeavour to vindicate a shameless violation of solemn undertakings can excite amusement coupled with a sentiment of sorrow that a nation can be at once so childishly stupid and so unblushingly insincere.

The Chino-Japanese Negotiations and Great Britain.

The Peking Correspondent of the *Peking and Tientsin Times* states that the session of the Chino-Japanese Conference, which was held last Tuesday at the Japanese Legation, was a prolonged one but passed off without the anticipated excitement. The questions mainly dealt with were those in connection with Manchuria and the Chinese Government finally initialled five of the clauses under that heading but those points which touched on matters coming under the head of Eastern Inner Mongolia were not included. The latter part of the Conference was devoted to the clause dealing

with the Han Yeh-ping mines etc. but nothing of a definite nature was arrived at. With regard to the latter the Chinese seem to be in a quandary as to the right attitude to adopt, owing to the possibility of their conceding something to Japan which will throw them later into conflict with Great Britain or be the means of raising certain diplomatic questions of importance between Great Britain and Japan. The Chinese seem to feel that a clear definition of what Great Britain considers her position in the Yangtze would materially assist them in their present negotiations and prevent them from making certain concessions to Japan which might lead to all round complications through the rights and privileges of others being stepped upon and the possibility of China being held responsible for the ensuing trouble. They consider that owing to the position that Great Britain is at pesent holding in that part of China that, knowing the difficulties with which China is at present faced, the British Government should come forward with a statement of its position so as to assist China to bring the present negotiations to a satisfactory conclusion without in any way interfering with the present or future interests of Great Britain.

* * *

A British View of Japanese Action.

In its editorial columns yestesday, the same Tientsin paper observes that, without a shadow of excuse, and in a most peremptory and unusual manner, the Japanese Government has presented a series of far-reaching demands to China, her acceptance of which in their original form, would not only mean parting with many of her inherent rights as an independent State, but would be contrary to her engagements with other Foreign Powers. Instead of rejecting these demands, as she would undoubtedly have done if she had been guided solely by the merits of the case, China proceeds to discuss them in a frank and friendly manner, conceding what she can concede, and rejecting or reserving for future discussion those demands which she considers too outrageous to be granted outright. And while Conferences at which the Chinese Delegates are displaying the most conciliatory spirit are actually in progress, the Japanese Military authorities for some inexplicable reason, decide to reinforce the Japanese garrisons in China. We cannot conceive of any more dangerous or provocative step than this, and it ill accords with Count Okuma's and Baron Kato's repeated assurances that Japan entertains no aggressive designs, and seeks only to maintain the peace of the Far East. The Japanese Government must be fully alive to the indignation its demands have aroused throughout the country, and must foresee that if sufficient provocation is given, Peking will be unable to restrain popular passion within reasonable limits. Yet Japan is deliberately giving that provocation, and the very General selected for the command of the Mixed Brigade which has been sent to Shantung, has publicly expressed a hope that General Chang Hsun will fly into a passion and beat the drum. It may be well to recall what happened on the last occasion in which, according to the Japanese view, General Chang Hsun flew into a passion and beat the drum. We have to go back to what occurred in Nanking in September 1913, when General Chang Hsun's army had just captured, and was in the act of occupying the city. Three Japanese, who in spite of repeated warnings appeared in the streets, were killed by his soldiery. The incident caused an amazing outburst of passion in Japan, and only China's prompt compliance with the humiliating terms imposed upon her by Japan averted a rupture of diplomatic relations. We know what would be the result of a similar incident to-day, and, what is more, we know that Major General Usuku would regard such an incident as *a happier outcome of the transfer of troops to Shantung than a pacific settlement of outstanding questions between the two countries.* We have every reason to fear, therefore, that if it can be arranged, incidents will occur in some part of China, which will be eagerly seized upon as a pretext for suspending negotiations, and resorting to the arbitrament of force.

JAPANESE MILITARY ACTIVITY.

TSINANFU SWARMING WITH TROOPS.

Reliable reports continue to reach Peking relative to feverish movements of Japanese troops. Advices have now been received supplementing the information which was embodied in our leading article yesterday. A Tsinanfu telegram under date March 24 states that a large body of Japanese troops arrived at Tsinanfu recently and those stationed at Tsingtao are to be transferred there. At present, the Japanese troops stationed at Tsinanfu consist of over 2,000 infantry, 12 field guns and 12 machine-guns, with their full complement of gunners. They arrived in Tsinanfu at night time on the 22nd and 23rd inst. There are also over 1,000 Japanese troops stationed in the vicinity of Tsinanfu. The addition of so many troops must be for other than relief duty, since there have never been more than 300 Japanese soldiers stationed at Tsinanfu. The natural conclusion forces itself on one's mind that a military demonstration is sought to be made in the hope of affecting the course of the Chino-Japanese negotiations now in progress. There is the further assumption that by these warlike movements, a "collision" between Japanese and Chinese troops is hoped for. At a time like the present, fingers are restive and twitch with impatience; and let us again repeat that the responsibility for any regrettable eventualities will rest solely with the responsible Japanese authorities. We have to insist that in the interests of tranquillity—which we are assured by Japanese diplomats is a matter lying close to their heart—it is imperatively incumbent upon the responsible Government of Japan to remove without further delay these dangerous elements of an already grave situation.

MOVEMENT OF JAPANESE TROOPS.

LEADING BRITISH JOURNALS EXPRESSED DISAPPROVAL.

We reproduce below part of a leading article on the Japanese troops in China appearing in the *North China Daily News* on March 25th, and a lengthy article under the caption "China and Japan" printed in the Saturday issue of the *Peking and Tientsin Times*. Views expressed by these two leading British dailies in the Far East are significant in view of the present grave situation caused by the presentation of a score of proposterous demands to the Chinese Government by Japan, and especially by the sending of additional Japanese troops to China. We believe that these views are shared by all Britishers in China, and that they will be read with due respect by Japanese statesmen.

The *N. C. Daily News*:—It would be idle to pretend that this large arrival of Japanese troops at Mukden, Tairen and above all Tsinanfu has not an unpleasant appearance at the present time. But in contrast with appearances we would emphasize the remark of our Peking correspondent yesterday: "Anything like coercion applied to China would, of course, be liable to the gravest consequences not only as far as China is concerned but as concerns the future relations of Japan with western Powers." It is also interesting to record that in all countries, including China the attitude of official circles has been throughout to treat the Japanese demands as containing nothing explosive. Russia appears quite content to let things take their course. In France the *Temps* pithily remarks that as Japan will have to come to Europe for money to finance her schemes, Europe can exercise all the check upon her ambitions that may be necessary. The British Government shows no sign of disquiet. America is watchful but not apparently, apprehensive. And in China, Peking is constantly telegraphing to its provincial lieutentants to quieten public apprehensions on the assurance that China's Government is quite capable of taking care of China's honour. Against this public feeling both in Japan and China is seriously aroused. In the former country the chauvinism of the militarists, long chafing under the restrictions imposed by a slender Treasury, joins forces with the popular delusion that extensions in China and Manchuria mean relief from the intolerable burden of taxation at home. And in China the consciousness of inability to resist Japan by force revives and, not unnaturally, intensifies all the recent bitterness evoked by the campaign in Shantung.

It is unnecessary to go again over the grounds for not taking an exaggerated view of Japan's designs in China, on which both honour and interest impose restraint. But it is impossible to aquit her statesmen of shortsightedness, if not of a positive blunder, in choosing this precise movement to press for the adjustment of out standing questions. In the circumstances of the case the moment was the very reverse of what has so often been claimed for it, opportune, because, in the circumstances, such action was bound to be misunderstood. Moreover, the temper of China as a whole is very different from what it was, a few years ago. Impassioned meetings and attempted boycotts have been heard of often enough before. But the meetings lately held in Shanghai at least have shown a certain restraint which is as novel as it is

full of warning: and although there is at present no Parliament, the agitators have been quick to see that the Republican form of government allows them reasonable excuse for insisting on their wishes being heard by the Administration. The present agitation against Japan is more truly national and less provincially disconnected than any previous similar movement: and the boycott is not only likely to spread but to prove far more serious than batoo of bygone days of excitement. We cannot but think that Japan will be well advised to give some convincing proof that whatever her demands she is willing that they should be amply discussed, that she does not insist on a comprehensive acceptance "in principle," that she is not exerting that roughshod pressure upon China of which popular report accuses her. If the late revolution has done nothing else it has implanted in Chinese minds a sense of nationality that may not be dispised; and while China's arm is weak, her memory is long. Of the substance of injustice Japan is freely acquitted. But she has yet to realize the importance of the shadow of it in her dealings with the Chinese nation.

The *Peking and Tientsin Times*:

According to Japanese papers to hand yesterday, the American Government is now interesting itself in the Sino-Japanese negotiations, and has asked Japan for certain explanations, with a view to establishing whether her demands do or do not affect China's political independence and territorial integrity, and violate the principle of the Open Door. Although this report lacks confirmation there is nothing inherently improbable in it. America is entitled to require an explanation of any action on the part of Japan tending to disturb the *status quo* in the Pacific, or to infringe the policy of equal opportunity for commerce and industry in China, by virtue of the Root-Takahira agreement, and it is only natural that the Washington Government should avail itself of this right in the present circumstances. The Japanese Government seems to have given formal assurances to all the Powers with which it has entered into treaties respecting the territorial integrity of, and equal commercial opportunities in China, that its present demands are not in conflict with its undertakings. There appears to be room for considerable difference of opinion upon this point, now that the nature of Japan's demands is known, and measures are being taken which point to a military demonstration, or the adoption of even more vigorous methods to coerce China into submission. On the face of them Japan's demands undoubtedly violate the undertakings she has given to America, Britiain, France and Russia. The arguments adduced to prove the contrary by no means convincing. According to the *Japan Advertiser* the view of the Japanese Foreign Office is that "no event which happens on account of the war can be called a violation...Any result of a war is to be considered the same as the results of a natural accident over which man has no control. The spirit in which that the Root-Takahira Agreement was made was to maintain the existing *status quo*,' in the region along the Pacific Ocean, that is to maintain the *status quo*, except in case of a war with a third party, which may cause changes in the existing conditions of the region mentioned in the agreement." We must confess to some surprise at learning that a Japanese Foreign Office Official should have expressed views so puerile and we might almost say, so immoral. So far from Japan's undertakings to the other Powers respecting the territorial integrity of, and equal

commercial opportunity in China, being abrogated by the war the latter must be regarded as one of the very contingencies against which they were intended to guard. It is perfectly ridiculous to suppose that these undertakings were intended to go by the board so soon as complications in other parts of the world afforded one of the contracting parties an opportunity of going behind the back of the others, and securing for itself exclusive territorial and commercial privileges in China. If such be the proper interpretation to be placed upon them there was no point in concluding such agreements, for it is perfectly certain that neither Britain nor the United States were scheming to secure for themselves exclusive commercial or political privileges in China in the event of Japan's being engaged in a war elsewhere. The only action Japan has been required to take in accordance with terms of the Anglo-Japanese Alliance, has been to assist Great Britain in the war against Germany. That Japan has done, and done with her usual efficiency. She has dispossessed Germany of Tsingtau, and her fleet has rendered material assistance in protecting the Allies' commerce against German raiders, and eradicating German influence from the Pacific. The presentation of a series of far-reaching demands to China cannot be regarded as a reasonable or legitimate *result* of the war. It is difficult to believe that any responsible Japanese statesman holds the view that the presentation of these demands, and the rushing of military reinforcements to China, are compatible with strict loyalty to the Anglo-Japanese Alliance, and the undertakings given to Russia, France and the United States. The peace of the Far East will not be maintained by provoking and exasperating the Chinese nation. Any temporary advantages that Japan may acquire by pursuing such a policy will only SOW THE SEEDS OF FUTURE DISCORD. Moreover, the adoption of an aggressive and provocative policy, in violation of the Japanese Government's solemn pledges to other Powers, must have a disastrous effect upon Japan'a prestige in the future. For it will then be generally realized that Germany is not the only Power which regards treaties merely as scraps of paper when it suits her convenience and it will not be regarded as a happy augury for the peace of the world that while a majority of the great Powers in Europe are combining to crush militarism and aggressions, their Eastern Ally is fostering the indentical ambitions that have brought about Germany's downfall.

There can be no doubt that strenuous efforts are now being made in certain quarters to embroil China and Japan. Natural ebullitions of indignation on the part of the Chinese are being magnified by the Japanese Press into serious incidents. No-one can doubt that the organs of the military party are employing every possible artifice to

PEKING DAILY NEWS. March 30th, 1915.

Sino-Japanese Negotiations.

Peking, March 28.

Saturday's meeting of representatives of the Chinese and Japanese Governments brought no definite results. With regard to the Hanyehping mines the Japanese attempted to force the Chinese to grant them a controlling interest in the concern and to all intents and purposes place it in their hands; to this the Chinese offered a strong opposition and as no means of compromise could be arrived at the matter had to be left over for another meeting. Although land ownership in Manchuria and various questions dealing with Inner Eastern Mongolia were touched upon the demands of the Japanese were so much in opposition to what the Chinese were prepared to accede that practically no headway was made and the Conference closed with the parties being deadlocked on these points. With regard to the protest of the Chinese Government concerning the landing of Japanese troops in China it can hardly be said that the Japanese reply which was made verbally has given the Government any satisfaction. They were told that the troops were originally sent to China for relief purposes but that it was subsequently decided that the troops which were to be relieved should remain in China until a satisfactory conclusion of the present negotiations had been arrived at, the Japanese Government considering that they were justified in acting in this manner owing to the signs of anti-Japanese outbreaks which had occurred in various parts of China. The Japanese Government seems to ignore the fact that it was the arrival of these large bodies of troops in Manchuria and Shantung that was the real cause of the growing uneasiness and excitement among the people. By flooding the country with troops who march through the towns and villages as if they were a conquering army and by treating the people as so much dirt beneath their feet the Japanese could hardly expect the Chinese people to welcome them with open arms. That the people should feel resentment is readily understood and it speaks highly for the strict control which the Chinese Government has maintained that no open ruptures have taken place. It is doubtful if the positions were reversed whether the Japanese authorities with all their wonderful discipline could have maintained peace and order. One can imagine what would happen if towns and villages in Japan were occupied by foreign troops who paid no heed to their native rights and privileges and who forced them to provide food and provender at prices which the occupying force had set themselves. Government or no Government, the people of Japan would be up in arms and continual scenes of disorder would be sure to follow. Yet China, the country which it is said is under no sort of order or control has succeeded in keeping its people in order under these trying conditions and in preventing any serious anti-Japanese outbreak. When one takes into consideration that the Japanese are not too careful as to whether they give offence or not it can be readily understood how strong is the restraining hand of the central Government, and what credit it is entitled to for maintaining the present peaceful conditions. Yesterday the Government received information that another strong Japanese force had arrived in Fengtien. It numbered about fifteen hundred, three hundred of whom were stationed in the city of Mukden itself. The others were stretched in detachments along the South Manchurian railway.—*P. & T. Times.*

PEKING SERVICE.

(From Our Own Correspondent.)

THE SINO-JAPANESE NEGOTIATIONS.

Peking, April 1st, 1915.

It appears that at the past two Conferences the Japanese have endeavoured to force the Chinese to agree to open up discussion on the demands contained in Group five which the Chinese have all along maintained they would not do owing to the impossibility of the Government being able to concede any of them. At the last meeting the Japanese delegates managed to inveigle the Chinese into a discussion as to their reasons for not being willing to discuss the quetion of Japanese spreading Buddhistic teachings as interpreted by them among the Chinese. It would seem that the explanation by the Chinese of their reasons for their attitude was adroitly manoeuvred by the Japanese so as to lead to the belief that the Conference was discussing the Japanese demands relative to this point. The Chinese however, have in no way committed themselves but it is quite likely that at to-day's Conference which is to take place in the Japanese Legation, it will be made out that they have.

There is something humorous in the idea of the Japanese trying to act as missionaries to China, especially in connection with the Buddhist religion. It is like bringing coals to Newcastle. What knowledge the Japanese have of this religion, as of a greater part of their art and their older forms of Oriental civilization, they obtained from the Chinese, and in the days when they were yet semi-savages, it was Buddhist missionaries from China who propagated the essence of that religious belief to the people of Dai Nippon, and who at the same time introduced the Chinese form of writing, which although changed considerably, is yet the basis of their written language to-day . Those who have a knowledge of the Japanese idea of morality—as the western world understands the word—have no wish to see it spread broadcast in China. Whether the Japanees idea of what constitutes morality is right or not is not the question, all we know is that it falls short of the standard set by western nations. And it is for this reason that so many of the friends of China have expressed the opinion that Japan is not in the position to act as her moral mentor and that if China is thinking of undergoing a moral purging that she could get better assistance from the west. The desire to secure rights for her Budhistic disciples to preach, open schools etc etc. is understood to be only another method of securing a firm hold of the people of China in the interior districts which will be used for political purposes.

To-day's Conference is expected to be the most important one that has yet taken place and it is believed that the Chinese will either have to give in to the demands as claimed by the Japanese or the negotiations will be brought to an abrupt termination. If that should follow it is impossible to say what will happen but it is generally believed, judging from the manner in which the Japanese military have been acting both here and in Japan that Japan will use force. What instructions the Japanese Minister has received since the last Conference is not known although it is known that he has received several important communications from Tokio. As is to be expected the Chinese officials are both excited and anxious while the people are gradually becoming impatient. The control which the Government is exercising over the Press, and by the manner in which it is not allowing any public meetings or demonstrations to be held evidence how intent it is to prevent any outward sign of excitement or give the Japanese people or Press an opportunity to charge it with exciting an anti-Japanese campaign among the people.

WARNING.

as our readers must well aware, observed a conciliate attitude to- question of the Japanese ever since it became known that they had been presented. In the first place we could not forget that Japan is Britain's Ally, and that as our Ally she has rendered us invaluable services in many ways since the outbreak of war. In common with all other British subjects in the Far East, we felt grateful for these services, and indisposed to denounce any of Japan's actions upon mere suspicion. Furthermore, we could not forget that Japan had entered the war as the result of her obligations under the Anglo-Japanese Alliance, the terms of which are well-known, and if loyally observed would afford an ample safeguard against the commission of any of the acts with which Japan was charged. When we recalled that while not allied to any other Power Japan had also given solemn pledges to Russia, France and the United States, that she recognized the independence and territorial integrity of China, and the principle of equal commercial opportunity, and had engaged to support these Powers in preserving the *status quo* by all peaceful means, it seemed to us absolutely incredible that she could have so far forgotten her honour and prestige as a Great Power as to have deliberately, and without a shadow of justification, treated these Treaties and undertakings as waste paper. It seemed to us that there could be only one possible explanation of Japan's actions, and that was that in the hope of settling once and for all certain outstanding questions between herself and her neighbour she had presented the latter with a series of demands so formidable that China would hail with relief an immediate settlement of minor questions which had hitherto defied adjustment; in other words that Japan was playing the old game of "bluff" upon China. Events have proved this view to be incorrect. It now seems to be established beyond all reasonable doubt that Japan, taking advantage of the preoccupation of her Ally and friends in Europe has conceived the dan-

Empire in ... by indem-
ing China ... dominions.
One would naturally credit ...
... statesmen, who have ...
enjoyed a reputation for farsightedness and diplomatic ability, with more commonsense. The idea of converting China into a mere appanage of Japan is so stupendous, and we might add so impracticable, that it takes one's breath away. Yet this is the logical interpretation of the original demands presented to President Yuan. They are no more palatable because each group is introduced by a hyprocritical preamble such as that both Governments are desirous of maintaining peace and of further strengthening their friendly relations; or that both Governments recognise the specially favourable position enjoyed by Japan in South Manchuria and Eastern Mongolia; or that the Japanese and Chinese Governments desire that Japanese financiers shall have a more direct and closer interest in the Hanyehping Corporation; or that Japan and China agree to certain conditions with a view to effectively protecting the territorial intergrity of China. No Power could be said to possess its territorial integrity or independence, or to be in a position to afford equal commercial opportunities to the States with which it is in treaty relations, which accepted such demands as Japan has put forward. Can a State be said to be independent that must allow the police in all important cities to be jointly administered by Chinese and Japanese, that must purchase not less than fifty per cent of its military supplies from Japan, that cannot work any iron deposits without the concurrence of a Sino-Japanese Corporation, and that is compelled to subordinate its military, financial and political affairs to Japanese Advisers? If China by coercion or force be compelled to comply with such demands she forthwith ceases to be an independent State and becomes a mere Dependency of Japan. Moreover, it would be impossible to govern the country peaceably under such restrictions. There would be incessant friction which would result either in the wholesale expulsion of Japanese from the country, or a further extension of Japanese interference in the administration. A country of

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China's doom which will ...

China may suffer for the ... moment,
perhaps for a generation or ... a
period which after all is ... a
moment in the history of a ... long-
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overweening ambition ... got the
better of her judgment ... inevitable shame and ruin ... upon her.
She owes her position as a ... Great
Power mainly to Great Britain, who
took the lead in freeing her from the
humiliations of foreign ... rights, and elevated her to a ... ing of equality with the ... States by entering into an ... to preserve the peace of the ... East. But for that Alliance it is
no exaggeration to say that Japan
would never have survived the war
with Russia. Its direct and indirect
benefits to Japan have been ... timable. In common decency ...

letter and spirit of that Alliance now
that the Ally to whom she owes so
much is herself involved in a life
and death struggle. If at this

that the Ally to whom she owes so much is herself involved in a life and death struggle. If at this time she so lightly regards honour and duty as to go behind the back of her Ally and do precisely the things she solemnly pledged herself to abstain from, it is improbable that Great Britain, at this time, will do more than enter a formal protest. But when the war is over, when Britain and her Allies are supreme in Europe, what will be Japan's position? Her perfidy will have robbed her of all her friends. She will appeal in vain for loans with which to exploit her ill-gotten gains. No European State will thenceforth trust her or value her friendship. She will stand alone, isolated, unable to find the means or the energy to complete the task she has so rashly begun, unable to assert herself in the Councils of the nations owing to the knowledge that were she even to threaten to draw the sword China would rise as one man to overthrow her tyranny. Two paths still lie open to Japan, the path of honour and of common sense, and the path of perfidy and destruction. Is it possible that her Statesmen have so far lost their heads that like infatuated moths in proximity to a flame they cannot refrain from self-destruction?

Peking.

No. 598.

April 5, 1918.

CONFIDENTIAL

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to transmit a copy of a memorandum on the rights of residence in South Manchuria which was handed to the Japanese Minister by the Chinese Minister for Foreign Affairs on April 3rd; and confidentially communicated to me by a member of the Foreign Office. The Memorandum is important as indicating the insistence upon the part of Japan upon the full measure of its demands on this topic; the manner in which the Chinese Government has yielded step by step; and the reservation of its complete rights which it is attempting to make with respect to Eastern Inner Mongolia.

I have the honor to be, Sir,

Your

Your obedient servant,

PAUL S. REINSCH.

Enclosure:

As stated.

800.

A true copy of the signed original.

DENTIAL

M E M O R A N D U M

On rights of residence in South Manchuria, handed to the Japanese Minister by the Minister for Foreign Affairs on ~~February~~ April 3rd, 1915.

It is evident that the intention of Articles 2 and 3 in the second group of demands asking for an unhampered right of residence, trade, farming, and ownership of land in South Manchuria and Eastern Inner Mongolia, is to obtain for Japanese subjects in those regions a status beyond the terms of the treaties now existing between the two nations; and to give them a freedom of action which will be a restriction on China's sovereignty and a serious infringement of her administrative rights. Should Japanese subjects be granted the right of owning land, it means that all the landed property in the aforesaid regions might fall into their hands, thereby endangering China's territorial integrity. Moreover, residence in the inland is incompatible with the existence of extraterritoriality, the relinquishment of which is necessary to the actual enjoyment of the privilege of inland residence, as evidenced in the practice of other nations.

Japan's undonditional demand for the privilege of inland residence accompanied with a desire to extend extraterritoriality into the interior of China and to enable the Japanese subjects to monopolize all the interests in South Manchuria is also palpably irreconcilable with the principle of equal opportunity. For this reason the Chinese Government were, in the first instance, unable to accept this demand as a basis of negotiation. Their profound regard for the friendly relations of the two countries , however, persuaded them to exert their utmost efforts, in spite of all the inherent difficulties, to seek a solution of a question which was practically im-

impossible

possible to solve. Knowing that the proposal made by Japan was incompatible with treaties, they nevertheless sought to meet her wishes within the limits of treaties; Accordingly they submitted a counterproposal to open more places in South Manchuria to international trade and to establish Sino-Japanese joint reclamation companies.

This suggestion was made in the thought that the places to which Japanese subjects would desire to resort for purposes of trade could not be other than important localities; if all these localities were opened to commerce, then they could go there and reside, trade, and lease land for joint reclamation within any of them. Thus Japanese subjects might enjoy the essence of the privilege of inland residence and would still be able to reconcile their position with China's treaties and the principle of equal opportunity.

After the Japanese Government declined to accept this suggestion, China withdrew it and replaced it with an amendment to the original articles. It was proposed in this amendment to grant to Japanese subjects the extra-treaty privilege of inland residence with the provisos that Japanese subjects in places outside of trade marts should observe Chinese police regulations and pay taxes in the same manner as Chinese, and that civil and criminal cases of such Japanese subjects should be adjudicated by Chinese authorities, the Japanese Consul attending merely to watch the proceedings. This suggestion was not an innovation: it was based upon the modus operandi now in force as regards the Korean settlers in inland districts of Chientao. But the Japanese Government again declined to accept it.

The Chinese

The Chinese Government thereupon made a third proposal along the lines of what constitutes the present practice in Turkey and Siam, making a distinction, however, in favor of Japanese subjects, in the exercise of jurisdiction over civil and criminal cases. This was once more objected to by the Japanese Government.

Now the Chinese Government proposes to concede another step - the fourth time. They propose to agree to the full text of Articles 2 and 3 relative to the question of inland residence, except that "the right of owning land" is changed into "the right of leasing land" and to the phrase "cultivating land" is added this clause: "the regulations for which shall be determined separately"; and further to add a supplementary articlex which embodies a modus operandi which the Chinese Government has constrained itself to make out of a desire to come to a settlement over this question. The view advanced in this supplementary article is based upon Your Excellency's declaration made on March 6, 1915, that a separate article embodying some compromise might be added to the original articles 2 and 3 for the purpose of avoiding any conflict with China's sovereignty or the system established by treaties.

Since China now agrees to Articles 2 and 3; since there already exists a harmony of views on the question of observing Chinese police regulations and paying taxes; since as regards the question of jurisdiction criminal cases are to be dealt with as heretofore and civil cases in a slightly different way from what prevails now - since this is a concession which the Chinese Government feels unable to improve upon, they request Your Excellency to

be so

be so good as to inform your Government of its nature and extent and invite them to agree thereto, to the end that this question may be brought to a conclusion.

As regards Eastern Inner Mongolia, there is altogether a different state of things there - quite different from what exists in South Manchuria. I have stated on several occasions that these two regions could not be discussed together, and I am glad to recall that Your Excellency has already given your endorsement of my views.

Handed to the American Minister by Dr. Koo on April 4th, 1915.

Copy for the Legation, Peking, China.

File

Amoy, China, April 12, 1915.

ANTI-JAPANESE SENTIMENT IN AMOY.

Sub. .....
Recd. 22 APR 1915
Ack. .....
Ans. .....
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THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

I have the honor to refer the Department to my despatch of March 27, 1915, subject ANTI-JAPANESE SENTIMENT IN AMOY and to inform the Department that the threatened run on the Tai-wan Bank and the boycott of Japanese goods has not materialised and that at the present time conditions are quiet and normal.

As stated in the above mentioned despatch the translation of the second handbill, now being completed, I am herewith enclosing a copy of same.

I have the honor to be,
Sir,
Your obedient servant,

E. T. Maynard
AMERICAN CONSUL.

Sent through the Legation, Peking, with copy.

Enclosures:
No. 1. Copy and translation of the second handbill.

800

copy of ed orig- K.J.

AMERICAN CONSULATE,
AMOY, CHINA.

Translation.

Enclosure No. 1 in despatch
No. 1 of April 12, 1915.

With tears we beg to call the attention of our beloved brethren to this notice.

With tears we beg to state that since our defeat in the war in 1894 our weakness has been disclosed. Kiao-Chow-Wan (膠州灣) has been leased to Germany, Port Arthur (旅順) and Darin (大連灣) to Russia, Wei-Hai-Wei (威海衛) to Britian, Kwang-Chow-Wan (廣州灣) to France, and one half of Kowloon to Britian, on account of France having obtained Kwang-Chow-Wan (廣州灣). There is no exception, even with Italy, who also endeavors to lease the San-Meng-Wan (三門灣) for their naval base in the Orient. One Power makes the start and the others follow. The calamity of partition of our country is close to our eyebrows. It is just like Africa, divided by the European Powers in the beginning of the 19th century.

The "Open Door" was proposed by the United States and confirmed by the other Powers. This proposal changed the situation of our country then. The common interest of the Powers forms, the basis of their mutual restraint. It is due to this equilibruim that our country has prolonged her feeble life to this day.

The war broke out in Europe last year. Japan using the Anglo-Japanese Alliance as a pretext sent her troops to conquer Tsing-Tau. She demanded passage overland to Tsing-tau. China, after the painful example of Belgium, yielded to the Japanese demand and having given her the war zone she (China) remained neutral. This was because we, after the weak government of the Manchus, had not

equipped

equipped ourselves and our finance were not sound and consequently we had no choice.

It is now more than two months since Tsing-tau was occupied and the war ended, but the Japanese troops in Shang-Tung (山 東) are still there, violating women and plundering. They are without honor. They have no sense of moral obligations. The lives and property of our people in Shang-Tung (山 東) are regarded as of less value than ants and rubbish. Our Government, in their request to Japan to withdraw her troops from the war zone, is only consistent with principle and law.

To our astonishment Japan not only refuses to withdraw her troops but calls our request an insult to her which she can never forget. Alas! which is really an insult between one country refusing another to withdraw troops, which have occupied her territory, and the other, whose territory has been so occupied, pleading with her to withdraw the troops? Put this question to Japan and we are sure that she will be unable to answer without feeling ridiculous.

In January of the present year the Japanese Government suddenly ordered their Minister, Mr. Hioki, to present many most exorbitant demands. He did not present the demands through the Foreign Board but direct to the President. He demanded that the matter be kept strictly confidential so that no other country or the Chinese public would have knowledge of it. He further required that the demands be immediately accepted, otherwise, still more exorbitant demands would be added to them. Oh! is Japan really treating us as an independent country?

The

The demands presented by Mr. Hioki are not much different from the alleged Korean-Japanese Treaty devised by Ito Hako Bun which killed Korea and which the Korean Emperor was compelled to sign. They are making a second Korea of us. The demands are kept secret by the two parties concerned. But by the news published in both the foreign and native press and also in the Japanese Chao Jih (朝 日) one can surely get a digest of the matter.

Let us now get the most important points, as follows:-

1. That which concerns Manchuria and Mongolia.
   The lease of Port Arthur and Darin to be extended for ninety-nine years and the same to be applied to the Manchurian railway, with free residence in Manchuria and Mongolia and the right to own land.
2. That which concerns Shang-Tung.
   China to transfer all rights previously granted to Germany, to Japan.
3. That which concerns the whole of China.
   Japanese laborers and merchants to be admitted to all parts of China with the right to build railroads and to engage in inland navigation.
4. That which concerns the Government of Fukien and Shang-Tung.
   Japan may detail officers to Fukien and Shang-Tung and reform the Police Administration, Customs and industries in the two provinces.
5. That which concerns mines.
   Japanese capital to be admitted in the mining business, in all provinces in China, and the Japanese may open any mine in the regions traversed by the railway.

railway lines built by them.

6. That which concerns the military.

Japanese instructors to be engaged in the Army all over China and Japan to be consulted in all undertakings of a military nature on land.

7. That which concerns internal trouble and foreign difficulties.

Japan to suppress the internal disorders of China and to defend her against foreign invasion.

Oh! our fellow countrymen, think of it. Any one of the above articles is more than enough to ruin our country not to say all of them. Japan alone is more than sufficient to destroy China not to mention Britian, France, Germany, and other countries who would surely follow in her steps. China has prolonged her life of late only through the balance of power. When this balance is lost partition is sure to follow. Japan, taking advantage of the European Powers being engaged in war and therefore being unable to look after their interests in the Orient, endeavors to commit this great offence before the world, thinking, as the saying goes, "the nimble-footed gets up first." They treat us as "the knives and dishes are treating the fishes and meat."

They, however, still try to cloth their acts with the pretext of maintaining peace in the Orient and upholding the integrety of China. There is no wonder in Japan making those demands. The question is how we are going to face the situation.

In early times, when China was not open to foreign

intercourse

intercourse, one dynasty fell after another. The Imperial power might be changed from one family to another but it was as the saying:- "one Ch'u (楚) lost his bow, the other Ch'u (楚) got it." (The winner and loser were of the same race. - Translation) Yet lives were sacrificed for a righteous cause and for patriotism. The sacrifices were made by Princes as well as peasants. One fell and another succeeded him but never with despair. Their noble lives still inspire awe to one who reads about them.

The wars of modern times are much more serious. The sadness to the people who have lost their country now is more intense. One may not have witnessed the historic events in Burma, India, Annam, and Korea but he must have read about them. The extermination of race follows the loss of sovereignty. The 400 million Hans (Chinese), Manchus, Mongolians, Turkestans, and Tibetans will all sink into the dark and miserable hell of eighteen abysses and can never escape even after hundreds of ages. Like animals and slaves shall we and our children be treated in the time to come and our newly established Republic of China will become a joke in the history of the world. Alas! let us think which is better for us; to choose between losing our country and suffer all such pains and agonies or to assert our best endeavor to avert the calamity.

The weekness of our Government has been known to the world for a long time. The Government's strength is judged from that of the people. We have never thought about it but have left the responsibility of the matter entirely in the hands of a few men in the Government.

This

This accounts for all the failures in international dealings in the past. The Government is certainly to be blamed but the people are not without fault. Therefore we can not leave the matter without our careful consideration.

A country of three hundred thousand square miles and four hundred million people being unable to display a little energy but letting three-islands Japan be the master in the Orient is certainly a shame without a parallel. With one single effort Japan desires to destroy us now and we submit to them. We must have lost our senses, otherwise, with the one spark of hope we have left to us now, let us awaken our patriotism and stir up the love of our country. From a few persons to a great congregation, from a village to a county, and from one province to the whole country let everyone of us exert his best efforts to oppose our bitterest enemy, who is trying to rob us of our sovereignty and seize our territory.

Our necks may be severed, our bodies may be destroyed, but let not our will be shaken. Seas can be made dry, stones can be made to melt but let not our aim be changed. They may overcome us with military array but let us overcome them with our blood. Should we be so unfortunate as to lose our country in that way we have at least achieved a great glory in the history of overthrown countries.

Let us never follow Burmah, India, Annam, and Korea and sit down and await our destruction and become animals and slaves to other people when we will be unable both to seek for life or for death. Alas! calamity is now

near

near at hand. There is no time to lose. Let us not commit ourselves to riotous acts. Let us not be a braggart. Let us not shout and then disperse. Let us have no party views. Let us all exert our efforts in the defence of our country and in that way support our Government. Let us refuse all the demands of Japan wholly and partially. Recognise nothing, even those which our Government may have agreed to give. "Better be like a jade smashed than an unbroken tile". Rather lose our lives than become a man having no nationality. Lives and property will be protected only when the nation exists. "When there is no skin there is no hair." This is clear and evident.

Every citizen has his own part to play. There is no necessity for any one to exaggerate the national affair. However as our country has not been treated as a country we, therefore, venture to present our most sincere statements to acquaint you, our most affectionate fellow countrymen, with the situation. "Look at your home in the west and there is no room to bury your body". Let our country men think of it.

Log. No. 51.

AMERICAN CONSULATE GENERAL,

MUKDEN, CHINA.

April 20, 1915.

SUBJECT: Japan's Political and Military Activity in South Manchuria.

Sent 22 APR 1915
Read
Ack. 23 APR 1915
Ans.
Rel.
Ans.

Honorable Paul S. Reinsch,

American Minister,

Peking, China.

710

Sir:

I have the honor to enclose herewith for the information of the Legation a copy of my despatch No. 52 of the 17th instant to the Department of State, on the above subject.

I have the honor to be, Sir,

Your obedient servant,

P. S. Reinsch

Consul General.

710.

Fa.

Enclosure: As stated.

Enclosure with despatch No. 51, dated Mukden, China, April 20, 1915.

893.52

AMERICAN CONSULATE GENERAL,

MUKDEN, CHINA.

CONFIDENTIAL. April 17, 1915.

SUBJECT: Japan's Political and Military Activity in South Manchuria.

Sub. ....
Read 22 APR 1915
Ack. ....
Ans. ....
Ref. ....
Enc. ....

710

The Honorable

The Secretary of State,

Washington.

Sir:

Among the demands presented to China by Japan in January, 1915, in the group relating to South Manchuria is one which calls for the transfer of the administration and control of the Kirin-Changchun Railway to Japan.

At the Portsmouth treaty conference in 1905 Japan claimed the whole of the section of the Chinese Eastern Railway from Port Arthur and Dairen to Harbin, while Russia refused to concede the line north of Changchun, it was intimated that there would be no objection to Japan's constructing a line between Changchun and Kirin. China at first refused to endorse this agreement between Russia and Japan, but article VI of the convention between Japan and China regarding the Hsinmintun-Mukden and the Kirin-Changchun railways, concluded in April, 1907, reads: "The Chinese Government being about to construct a railway line from Kirin to Changchun agrees to borrow from the aforesaid company (the South Manchuria Railway Company) one-half of the capital needed." It was also provided that the loan fixed at gold yen 2,130,000 should run for a period of 25 years, to be

redeemable by annual instalments, that a Japanese engineer-in-chief and accountant should be employed, and that in certain contingencies the line should come under the temporary control of the South Manchuria Railway Company. The construction of the line, 79 miles in length, was completed in October, 1912. It is of strategic value as it links up Changchun with the capital of Kirin Province and of economic value as it taps the wheat plains of the Sungari. The extension of the line eventually to Hoiryong, on the Chosen border, will be of great strategic importance. This extension is provided for in article VI of the Sino-Japanese, or Chientao Boundary, Agreement, concluded on September 4, 1909. From Hoiryong a junction can be effected with the Korean railway leading to Chungju, a port on the Sea of Japan. Some reports state that the extension will run from Kirin to Ninguta, to Hunchun, and on to the coast. This route will be less difficult of construction and would be more satisfactory to the Chinese than a line direct from Kirin to Hoiryong, as the latter would not link up with the principal cities of east Manchuria. It would also probably serve Japan's designs of future operations better. So far nothing has been heard of any Russian objections to the proposed Kirin-Changchun transfer and as to the suggested alignment of the Kirin-Hoiryong line, it is reasonable to suppose that Russia would not regard with equanimity the near approach of this line at Ninguta to the Chinese Eastern Railway. The Kirin-Hoiryong line has not yet progressed beyond the survey stage.

With the completion of this line, making a connection between Kirin and a naval base on the north-east coast of Chosen, Japan would seem to be strategically secure in Chosen and that portion of Manchuria that it apparently intends to occupy, that is, south of an east-west line through

Changchun and Kirin, possessing as it does undoubted control of the sea. With this control of the sea, and the Liaotung Peninsula and the South Manchuria Railways firmly in its possession, Japan can regard with impunity any attempts on the part of any power to break its grasp on the mainland of Asia.

In this connection I beg to refer to the persistent rumor in circulation here, which however remains unconfirmed, that Russia and Japan are negotiating for the transfer to the latter of the Harbin-Changchun branch railway. As stated above Japan asked for this section at the Portsmouth Conference, and it is also believed that Prince Ito, on the occasion of his visit to Harbin in 1909 where he lost his life, was charged to attempt negotiations on this subject with the then Russian Minister of Finance who was at the time visiting Russian possessions in the Far East.

As to China's military strength in Manchuria I may state that in the portion of Manchuria that Russia apparently intends to occupy, that is, north of an east-west line through Changchun and Kirin, there are practically no Chinese troops. In Heilungchiang Province there are some Hsun-fang-tui or constabulary troops (practically worthless for any field operations), numbering some 3,200, infantry and cavalry, and some old guns. In the northern part of Kirin Province, which comes within the Russian sphere, there are about the same number of troops. These troops are very much scattered in small detachments, armed with inferior rifles, possessing but small supplies of ammunition and no transport or commissariat services. It is practically impossible to concentrate these troops for field service. So far as opposition from China is concerned, Japan is as free to move in South Manchuria as is Russia in North Manchuria.

In the Japanese sphere of activities, there are portions of five divisions of troops. At Changchun and Changtufu

there is the 3rd division of the Lu Chün, the new army (11,500 men total strength but with a fighting strength of about 9,000 only), and at Kirin there is the 23rd division with the same strength as the above. These divisions have constabulary troops attached to them to swell them to the requisite number, but these organizations are scattered about the province. These divisions have never been assembled for field service or training.

The 3rd and 23rd divisions are far away from the Russian frontier and it is practically impossible for them to reach it as the Chinese Eastern Railway would refuse to transport them. These two divisions, as well as the troops of the 20th, 27th and 28th divisions in Fengtien Province, are in the Japanese sphere. The three last-named divisions consist nominally of 10,000 men, but their actual strength is 8,500 men, each. The head-quarters of the 27th Division are at Mukden which is the seat of the divisional commander. The 20th Division is stationed at Hsinmintun and the 28th Division at Kuang Ning. The first and second mixed brigade comprise 10,000 men; the first is stationed at Feng-huang-cheng, and the second in barracks situated about one mile outside the outer North Gate, Mukden. The South Manchuria Railway would also refuse to transport any of the Chinese troops in South Manchuria.

Japan's recent political and military activities in South Manchuria and Eastern Inner Mongolia have a peculiar significance to Russia. In concentrating all available forces on the western frontier, Russia has withdrawn nearly all its troops from the eastern provinces and from North Manchuria. Japan has taken the opportunity to increase its forces in South Manchuria. The Japanese troops previously in this province represented a considerable fighting force. Moreover, the whole of the region is within easy striking

distance of the Chosen and the Kwantung Leased territory. The Japanese official explanation is that it is merely a matter of military routine. The Chinese claim it is a military demonstration to assist the negotiations at Peking. The Russians, who recall their own action in the military occupation of Manchuria which furnished the principal casus belli for the Russo-Japanese war, feel there is a further and deeper significance to their eastern provinces and to North Manchuria.

In considering the recent political moves of Japan in South Manchuria, it is reasonable to suppose that it has far-reaching designs. It is generally conceded that Japan aims at the absorption of South Manchuria; in other words, to cause it in reality, whatever may be the nominal status, to pass under its sway in much the same way that Chosen has. It is generally conceded also that Russia has somewhat similar designs upon North Manchuria. There is a pretty general belief in the existence of an unpublished Russo-Japanese understanding, mutually, and so far as either power is concerned, according certain liberty of action in North Manchuria and Outer Mongolia and in South Manchuria and Eastern Inner Mongolia, respectively.

Russia apparently made the first move by demanding in 1911 the fulfilling on the part of China of certain stipulations in the treaty of 1881 concerning the location of Consuls and the granting of trade privileges in Mongolia. Russia delivered a practical ultimatum to the effect that friendly relations would be broken off if all its demands were not at once agreed to by China. The Chinese Government could not bring itself to acquiesce in the Russian proposals, and the negotiations were spun out indefinitely. In August, 1912, the Russian Government informed the Chinese authorities that as they would not negotiate

the revision of the treaty, it was compelled to consider the agreement as remaining in force for another ten years. Concurrently with the developments at Peking, trouble arose between China and Outer Mongolia, which, after the outbreak of the revolution, led to a declaration of independence on the part of Outer Mongolia in December, 1911; this was followed by the Russo-Mongolian agreement of November, 1912, whereby Russians were granted many exceptional rights and privileges in Mongolia, (en passant, it is interesting to note that in character and scope these rights are not unlike those now demanded of China by Japan in respect to South Manchuria and Eastern Inner Mongolia). The Russo-Mongolian Agreement was followed by the Russo-Chinese Convention of November, 1913, whereby the above agreement was confined, and in which China also recognized Mongolia's automony while Russia recognised the suzerainty of China over Mongolia.

As the goal of Russia's ambition since 1650 has been the acquisition of Asiatic territory and an ice free port on the Pacific it is not supposed that it views without regret the loss of Port Arthur, or that it will yield Vladivostok and the Maritime Province without a tremendous struggle.

Reference to the map at once shows what a commanding position Japan will have reached when the Kirin-Changchun Railway passes into its control and the extension of this railway eastward to the coast is completed. Japan will have undisputed possession of the sea; the Empire of Japan (including Chosen and the southern half of Saghalien Island) surrounds the Maritime Province on three sides; the further Japan pushes into Manchuria the more it isolates this province on the fourth side; when Japan's railway extension is completed Vladivostok will be practically isolated on a neck of land lying within the hollow of Japan's hand; the South Manchuria Railway runs parallel

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to its front and relatively only a few miles away. The breaking of the Chinese Eastern Railway, especially before the completion of the Amur railway, would be equivalent to closing its hand over Vladivostok. It may be added that work is progressing steadily on the Amur Railway - the extension of the trans-Siberian line on the north side of the Amur River - and the eastern section extending to Khabarovsk is expected to be completed during the present year.

It is reasonable to suppose that Russia, enormously occupied with the European War and internal reorganization, realizes that its position on the Pacific is untenable, and seeks to avoid any misunderstanding with Japan which could so readily result in the loss of the Chinese Eastern Railway and Vladivostok. Many intelligent foreign observers in the Far East believe that Russia will, on the termination of the present war, take under consideration the new situation created by Japan's recent political and military activity in this region, and devote its whole strength, if necessary, to the retrieving or at least the sustaining of its position on the Pacific. It is not believed that Japan will assume an aggressive attitude toward Russia in the immediate future. The taking of a decisive step against Russia's possessions in the Far East on a scale commensurate with the task and sufficient to achieve tangible results would involve an additional financial burden in the way of military expenses, and Japan's finances are in an unsatisfactory condition. However, political exigencies - the international situation or home politics - may be held by Japan as calling for early and definite action.

It is understood here that the various concessions granted Japan by China in October, 1913, for a system of railways radiating from Taonanfu, Eastern Mongolia, notably the one to extend southward to Chaoyangfu and Jehol, about 470 miles, were given voluntarily by China with a view to checking the threatening Russian advance on North China and Peking.

It may be asked why Russia is advancing into Mongolia if its ambitions still lie in the direction of the Pacific. A reason may be found if we assume that Russia is looking to the future. The meat supplies of Vladivostok and the Russian troops east of Baikal are now largely drawn from the Chinese provinces of Shantung, Chihli and Honan. In case of war with Japan or even with China these supplies would be at once cut off. The next nearest source of supply is Mongolia. The export of Mongolian cattle to Russia is increasing. In 1914, 300,000 head were obtained at Taonanfu, Chengchiatun, Petuna, and Manchouli. Lately cattle for Russia have also been procured from North and Central Manchuria. But of more value than the cattle of Mongolia is the supply of horses that Mongolia offers. By having its Consuls and merchants located in all the principal points of Mongolia and the right of unrestricted trade as well as a practically free hand in Outer Mongolia, Russia will be in a far more favorable position than at the outbreak of the war in 1904, either for the purpose of collecting supplies or marching a force against the left flank of Japan's position in Manchuria.

I have the honor to be, Sir,

Your obedient servant,

P. S. HEINTZLEMAN

Consul General.

A true copy of the signed original. M.G.L

710.

H/Fa.

Copy to Embassy at Tokyo.

Copy to Legation at Peking.

File 11 (1) 857

AMERICAN CONSULATE GENERAL

No. 459. Shanghai, China, April 25, 1915.

Subject: Another Alleged Revolutionary Movement Reported Under the Direction of Dr. Sun Yat Sen.

Sub. ....7.....
Recd 26 APR 1915
Ack. .....
Ans. .....
Ref. .....
Ans. .....

800

The Honorable Paul S. Reinsch,

American Minister,

Peking.

Sir:

I have the honor to enclose a self explanatory news clipping from today's issue of the NORTH CHINA DAILY NEWS (British), on the above subject, and to add that the Chinese Defensive authorities at this port give evidence of increasing watchfulness and preparedness, from month to month.

It is reported from time to time, that Dr. Sun Yat Sen, is endeavoring to raise funds in Japan for the purpose of carrying on his alleged revolutionary activities.

I have the honor to be, Sir,

Your obedient servant,

Thomas Sammons

American Consul-General.

Enclosure:

J

Enclosure:

News clipping from the NORTH CHINA DAILY NEWS (British), of April 23, 1915.

Two copies, together with enclosure, to the Department of State.

Copy, together with enclosure, to the American Embassy at Tokyo.

800
S/Wd

Enclosure with Shanghai Consulate-General despatch No. 459 (File No. 800), of April 23, 1915.

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News Clipping from the NORTH CHINA DAILY NEWS (British), of April 23, 1915.

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MORE PLOTTINGS OF DR. SUN.

EXTRAORDINARY AGREEMENT ALLEGED.

The following appeared in yesterday's Chinese newspapers, and must be taken with due reservation. From other points of view, however, it is, even if incorrect, by no means uninteresting.

***

Telegrams from Peking have reported several times that Dr. Sun Yat-sen, the indefatigable plotter, has entered into an agreement with certain Japanese in order to gain power by the former and annex China by the latter.

From a Peking contemporary, the text of this remarkable agreement containing fifteen articles is reproduced as follows:—

Preamble:—In order to preserve peace and order in East Asia, nothing short of a defensive and offensive alliance must be made between Japan and China, on the lines that the former will assume full responsibility in all military affairs while the latter furnishes the necessary funds. As there is only the remotest hope of effecting such an alliance with the present Chinese Government, and the Japanese Government would not desire to enter into this alliance with it, Japanese politicians and merchants, who have the maintenance of peace in the Far East at heart, have decided to give their willing support to the new scheme of the Chinese revolutionaries.

The text of the agreement is as follows:—

(1) Prior to the starting of the proposed revolution, Terade, Okura and Tsuji shall undertake to finance the revolutionaries to an extent not exceeding $1,500,000, and supply them with rifles not exceeding 100,000 in number and give them other support of a military nature, as may be required.

(2) Before the rising takes place, the above-mentioned money will be lent and secured by Loan Bonds of the face value of $10,000,000 signed by Sun Yat-sen. As soon as certain towns are occupied, this form of security shall be exchanged for all kinds of movable property in these towns to secure the loan.

(3) Monetary and personal aid will only be given for the purpose of revolution in the provinces south of the Yellow River, namely, Yunnan, Kueichow, Hunan, Hupeh, Szechuan, Kiangsi, Anhui, Kiangsu, Chêkiang, Fukien, Kuangtung and Kuangsi. When any extension of plotting be deemed necessary, affecting the provinces situated north of the river, a joint consultation with Tsuji and other Japanese must be held before any decision takes place.

(4) Japanese volunteers shall, upon joining, be paid according to the scale of the Japanese Army for troops on active service. When any territory is successfully occupied, they shall receive the fullest recognition to be decided by both parties. (Regarding compensation for dead men, at least $1,000 shall be paid in each case.)

(5) Japanese military officers in the force shall have the right to propose a halt at whatever place the Revolutionary Army may have reached.

(6) After the Revolutionary Force has taken and consolidated certain places, any industrial or railway enterprise which is not affected by any treaty with another Power shall be launched with Japanese co-operation.

(7) Upon the establishment of the New Government, all questions now in process of negotiation between Japan and China shall be considered as accepted and settled by China.

(8) Japanese officers, from the rank of captain and above, shall enjoy the privilege of being permanently retained in the service.

(9) The loan will be paid in three instalments, viz: $400,000, $..... and $..... after the first instalment is paid over, Okura shall have the right to appoint supervisors over the expenditure of the money.

(10) The safe delivery of firearms at Jêchaohsien and Haichow will be guaranteed by the Japanese.

(11) The first instalment of the loan will be paid by the latest three days after this agreement has been signed.

(12) All Japanese officers and volunteers on service shall obey the orders of the Commanding Officers in the Revolutionary Army.

(13) Should Japanese officers and volunteers disobey the orders of the Commanding officers, the latter will have the right to send them back to Japan without paying them any passage money, provided this procedure shall have the approval of three Japanese officers at least in the Revolutionary Army.

(14) Japanese expert financiers shall be engaged to co-operate in all land-tax offices at places in the occupation of the Revolutionary Army.

(15) This agreement will come into effect from the date of signature.

It is reported that the above agreement was signed by both parties some time in February last, when $400,000, the 1st instalment of the loan was duly paid over.

I /// I:Sd.

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File.
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Peking.

No. 614. May 4, 1935.

Sino-Japanese Crisis

Sub. .....

Recd. .....
Ack. .....
Ans. .....
Ref. .....
Enc. .....

Confidential.

800

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

In connection with other reports as to the negotiations on the subject of the demands made upon China by Japan, and the conditions created in various parts of China by the political crisis thus induced, I have the honor to transmit herewith copies of certain confidential documents furnished to the Legation with the approval of the President, which purport to set forth certain of the ulterior motives and methods of the Japanese, and which, even if their specific accuracy may be questioned, have a value as indicating the character of the information furnished the Chinese Government by its

confidential

confidential agents in Japan as well as the viewpoint of fear and distrust with which the best-informed members of the Chinese Government regard the purposes and conduct of the Japanese Government and of individual Japanese.

The first of these documents is an extract (in translation) from the remarks with which the Japanese Minister accompanied the presentation of the demands to the President on January 18th last: it has been given to me from an authoritative source as an excerpt from the short-hand record made at the time of the interview, and may therefore be accepted as accurate. It will be noted that it confirms in substance the report of the conversation which had previously come to the Legation from a less direct source and which was enclosed with my Despatch No. 538 of February 10th. I beg to emphasize the fact that the unconcealed purport of these statements is to confront the Chinese Government, and President Yuan, in particular, with the threat of revolutionary agitation as the alternative to acquiescence in the Japanese demands - an acquiescence which is associated with a scarcely-veiled intimation of the assumption of a protectorate by the Japanese Government. And in the second place I would invite attention to the rather ominous directness with which these remarks assume an antithesis and an antagonism between Japanese interests and those of other nations in China.

Most of the remaining documents which I enclose are translations from reports made to this Government by its secret agents in Japan. I forward these reports with reserve, fully conscious that their value as evidence is vitiated by their sources it is of course more than probable that the agents of the Chinese secret service have sought to make such reports as would justify their own employment; and it is

likewise

likewise not improbable that even in passing through the hands of the trustworthy source from which they came into the possession of the Legation, they may have received some coloring and distortion in the process of selection and editing and translation. I therefore offer them for the Department's consideration not as dependable testimony to be accepted at face value, but as statements whose weight as evidence must be evaluated by a consideration of their intrinsic plausibility and of their correspondence with ascertained facts. When considered with such reserves, they seem to me to possess an actual value as data upon which to base a working hypothesis of Japanese intentions in the present crisis, and a psychological value as indications of what the Chinese believe to be the intentions of the Japanese Government.

The second enclosure is a translation of a memorandum in which the Japanese "Black Dragon Society" advocated a policy for the solution of the Chinese Question." This very able and illuminating memorandum could scarcely be the invention of a Chinese secret agent; nor is it likely that it could be a fabrication by any Chinese official, who in drafting such a forgery ex post facto would surely have sought to give it the greater plausibility by making its anticipations correspond more closely with the facts which have attended the presentation and insistence upon the demands. It would therefore seem that this paper may be accepted as what it professes to be - an expression of views by a Japanese political group interested in Chinese questions. And as such, it must have been drawn in the light of a very accurate understanding of the tendencies of the present administration in Japan, inasmuch as it forecasts with such noteworthy precision many of the demands actually made upon China on January 18th. This memorandum was communicated to me by a responsible official of the

of the Chinese Government with the comment that it ". . . will give you in a nutshell the key to the present situation. The policy advocated therein has been adopted in general by the Japanese. It is so far the clearest statement of the Japanese view of the solution of the Chinese Question as they call it." The policy recommended in the memorandum evolves the following points:- (1) To take advantage of China's present weakness and the preoccupation of the Powers, in order to enforce the Japanese programme; (2) To incite revolution as a means of disposing of the present Chinese administration; (3) To substitute a monarchical form of Government, patterned on the Japanese; (4) To form a defensive alliance with the Government so established, with certain special privileges in favor of Japan, and notably with certain provisions for protection and control which would constitute China a Protectorate of Japan. The action which has in fact been taken by Japan has corresponded with the first of these points, as has been somewhat cynically avowed in the course of the negotiations by the Japanese Minister, who has quite brusquely stated that China cannot expect Japan to forego the opportunity presented by the European War, adding that "it would be asking too much of human nature to expect that a neighbor should return empty-handed from assisting at a fire in a jewelry store." The second of the points has formed the subject of direct threats by the Japanese Minister to the President and to the Chinese negotiators. The majority of the terms of the "Defensive Alliance" contemplated by the memorandum (referred to in the fourth point above) are included either in substance or in detail among the twenty-one demands which have actually been urged upon the Chinese Government. It is therefore not surprising, although the event may happily prove

it unwarranted

it unwarranted, that the highest and most responsible of Chinese officials accept as a working hypothesis the assumption that the aims and certain of the methods advocated in this memorandum have been "adopted in general by the Japanese" - including those points which would make this country a dependency of Japan under a titular monarchy.

The third of the documents transmitted herewith is a translation of an agreement by which the Chinese revolutionary, Chang Yao Ching, contracted with certain Japanese interests for a loan for the purpose of carrying on revolutionary activities. This agreement was entered into before the presentation of the Japanese demands: upon learning of them, Chang Yao Ching repudiated the contract and returned to Peking and availed himself of the amnesty offered to "penitent rebels." The circumstances create a presumption of authenticity in favor of this document - which in turn lends some credibility to the enclosed translation of a somewhat similar Secret Agreement alleged to have been made in February last by Sun Wen (Sun Yat Sen) with certain Japanese. I cannot but feel, however, that the credence thus gained for this document is somewhat impaired by the inherent improbability of the second of the enclosed agreements which Sun Yat Sen is alleged to have made with Japanese - the one with "Inogai, the leader of the Japanese Liberal Party." This latter agreement I am disposed to consider as a partial it not entire fabrication by someone who perceived a chance of profit in the damnation of Sun, as its terms can scarcely be reconciled with what I believe to be the sincere republicanism of the man, impractical dreamer and fanatic and intriguer as he is.

Another report (of which I enclose a translation, under date of April 20th) gives a somewhat different version of the

agreement

agreement alleged to have been entered into by Sun and other revolutionaries with the Japanese.

It is with some diffidence that I include herewith a translation of the document entitled "Japanese Military Men's View of the Demands on China." Even if not authentic, however, that paper is suggestive of the aggressive uses towhich a section of Japanese opinion would be inclined to put the potential military force which the resources of China in men and materials would make available to Japan in the event of obtaining a mastery over them.

The translations of the documents entitled "Memorandum embodying Reports of the Three Officers Sent on a Secret Mission to China" and "A New Military Plan just decided upon by the Japanese General Staff for Operations along the Yangtse and Sea-coast of China" impress me as being, if not literally authentic, at any rate likely to have been founded on fact, and worthy of some consideration in the attempt to foresee what course Japan will follow in case of carrying out the threat to exert armed pressure upon China to obtain the granting of the present demands. I may add, as a single confirmatory detail, the fact that Oshima and Fukuda, two of the officials mentioned in the first of these documents, did actually visit Peking in January shortly before the presentation of the demands.

I am at a loss to determine what value to assign to the professed letter of instructions from the General Staff to the Japanese Military and Naval Attachés here. Although these alleged instructions prescribe a course of action which under the circumstances is plausible enough, there is about them a naïveté which sounds suspicious even in the case of a paternal government which may be assumed to take its agents into its

confidence

confidence more fully than, for example, does our own. I cannot but surmise that some Chinese secret agent may have attributed to the Japanese General Staff such instructions as he shrewdly supposed they would desire to have their Military and Naval Attachés act on.

In this connection, it is interesting to note that the Japanese military authorities maintain at the Japanese Legation in China, and probably at other Legations, their own complete intelligence service, so that the Military Attaché gives his attention to purely political, as well as technical military matters. In this manner, the military authorities exercise a very direct check upon diplomatic dealings with the result that they can make their weight felt in diplomatic affairs. This arrangement at times leads to certain rivalries and cross purposes in the Japanese Legation which are, however, never allowed to disturb the outward unity of Japanese diplomatic policy.

I furthermore enclose a report concerning the activites of Japanese agents in Outer Mongolia, and three concerning the alleged participation of Japanese in brigandage in the neighborhood of Tsingtau. Concerning these reports I hope to be able to transmit further information in the near future. In the meanwhile, however, I have to report that in reply to Chinese representations as to the participation of Japanese in piratical and other raids along the southern coast of Shantung, the Japanese Legation has vouchsafed only a somewhat evasive answer to the general effect that the Japanese authorities would deal with any such reprehensible cases if they should occur.

I am also enclosing a report (as published in the Peking Daily News of April 8th) of an interview with Mr. Obata, the Counsellor of the Japanese Legation, in which he comments upon the general character of international relations as bearing

upon

upon the Japanese demands. Mr. Obata subsequently issued a statement in which he declared that some of his thoughts had been materially misunderstood or misquoted.

In conclusion, I beg to reiterate the reserves with which I submit these documents. They are, in varying degrees, of doubtful authenticity; but I think that none of them is to be absolutely rejected from consideration, whereas some of them appear by internal evidence to justify their acceptance as of substantial accuracy. I submit that with certain exceptions which I have indicated, and with some general allowances for inaccuracies of detail, they indicate with a fair degree of consistency a theory of the ends which Japan is officially and semi-officially pursuing at the present time in China, and the methods which its government is following or countenancing in order to attain those purposes which are from time to time referred to in phrases, suitable to the occasion, some of them symbolic rather than literal meaning, as follows:-

(1) In official communiqués and inspired or half-inspired statements in the press, "The preservation of the peace of the Far East";

(2) In similar statements, as prepared particularly for the British press, the same, plus "the loyal fulfilment of the purposes of the Anglo-Japanese Alliance";

(3) In official negotiations with the Chinese, "Concessions enough to demonstrate that China is no less friendly to 'the Near' (Japan) than to 'the Far' (Europe and the United States);

(4) In unofficial conversations of members of the Japanese Legation with Cabinet Ministers and other Chinese officials,

"A basis

"A basis on which to unite in opposing the discrimination and the attempted domination assumed by the U. S. and other white races in regard to Asiatics."

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

As stated.

800.

A true copy of the signed original.

(1)

Part of the Conversation during the interview on January 18th, 1915 between the Japanese Minister Dr. Hioki and President Yuan Shih Kai whom the former tried to influence with the following words:

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Furthermore, the Chinese revolutionists are in close touch and intimate relations with numerous irresponsible Japanese some of whom have great influence and whose policy is for strong measures. Our Government has not been influenced by this policy, but if your Government does not quickly agree to these stipulations, it will be impossible to prevent some of our irresponsible people from inciting the Chinese revolutionists to create trouble in China.

The majority of the Japanese people are also opposed to President Yuan and President Yuan's Government. They all declare that the President entertains anti-Japanese feeling and adopts the policy of "befriending the Far (Europe and America) and antagonizing the Near (Japan)", Japanese public opinion is therefore exceedingly hostile.

Our Government has all along from first to last exerted its best efforts to help the Chinese Government, and if the Chinese Government will speedily agree to these stipulations it will have thus manifested its friendship for Japan.

The Japanese people will then be able to say that the President never entertained anti-Japanese feelings nor adopted the policy of "befriending the Far and antagonizing the Near". Will this not this then be indeed a bona fide proof of our friendly relations?

The Japanese Government also will then be inclined to render assistance to President Yuan's Government whenever it is necessary.

THE POLICY ADVOCATED BY THE JAPANESE HEI LUNG OR BLACK DRAGON SOCIETY IN REGARD TO THE SOLUTION OF THE CHINESE QUESTION, THIS SOCIETY HAVING BEEN SO CALLED ON ACCOUNT OF THE MEMBERS HAVING STUDIED THE SITUATION IN THE HEI LUNG KIANG PROVINCE IN MANCHURIA.

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1. The European War and the Chinese Question.

The present gigantic struggle in Europe has no parallel in history. Not only will the equilibrium of Europe be affected and its effect felt all over the globe, but its results will create in the political and social world a New Era. Therefore, whether or not the Imperial Japanese government can settle the Far Eastern Question and bring to realization our great Imperial policy depends on our being able to skillfully avail ourselves of the world's general trend of affairs so as to extend our influence and to decide upon a course of action towards China, which shall be practical in execution. If our authorities and people view the present European War with indifference and without deep concern, merely devoting their attention to the attack on Kiaochow, neglecting the larger issues of the war, they will have brought to naught our great Imperial policy, and committed a blunder greater than which it cannot be conceived. We are constrained to submit this statement of policy for the consideration of our authorities, not because we are fond of argument but because we are deeply anxious for our national welfare.

No one at present can foretell the outcome of the European War. If the Allies meet with reverses and victory should crown the arms of the Germans and Austrians, German militarism will undoubtedly dominate the European Continent and extend southward and eastward to other parts of the world. Should such a state of affairs happen to take place the consequences resulting therefrom will be great indeed and extensive. On this account

account we must devote our most serious attention to the subject. If on the other hand, the Germans and Austrians should be crushed by the Allies, Germany will be deprived of her present status as a Federated State under a Kaiser. The Federation will be disintegrated into separate states, and Prussia will have to be content with the status of a second-rate power. Austria and Hungaria, on account of this defeat, will consequently be divided. What their final fate shall be, no one would now venture to predict. In the meantime Russia will annex Galicia and the Austrian Poland; France will repossess Alsace and Lorraine; Great Britain will occupy the German colonies in Africa and the South Pacific; Servia and Montenegro will take Bosnia, Herzgovina and a certain portion of Austrian territory; thus making such great changes in the map of Europe that even the Napoleonic War in 1815 could not find a parallel.

When these events take place, not only will Europe experience great changes, but we should not ignore the fact that they will occur also in China and in the South Pacific. After Russia has replaced Germany in the territories lost by Germany and Austria, she will hold a controlling influence in Europe and, for a long time to come, will have nothing to fear from her western frontier. Immediately after the war she will make an effort to carry out her policy of expansion in the East and will not relax that effort until she has acquired a controlling influence in China. At the same time Great Britain will strengthen her position in the Yangtze Valley and prohibit any other country from getting a footing there. France will do likewise in Yunnan Province using it as her base of operations for further encroachments upon China and never hesitate to extend her advantages. We must therefore seriously study the situation remembering always that the combined action of Great Britain, Russia and France will not only affect Europe but we can even foresee

foresee that it will also affect China.

Whether this combined action on the part of England, France and Russia is to terminate at the end of the war or to continue to operate, we cannot now predict. But after peace in Europe is restored, these powers will certainly turn their attention to the expansion of their several spheres of interest in China, and, in the adjustment, their interests will most likely conflict with one another. If their interests do not conflict, they will work jointly to solve the Chinese Question. On this point we have not the least doubt. If England, France and Russia are actually to combine for the coercion of China, what course is to be adopted by the Imperial Japanese Government to meet the situation? What proper means shall we employ to maintain our influence and extend our interests within this ring of rivalry and competition? It is necessary that we bear in mind the final results of the European War and forestall the trend of events succeeding it so as to be able to decide upon a policy towards China and determine the action ultimately to be taken. If we remain passive, the Imperial Japanese Government's policy towards China will lose that subjective influence and our diplomacy will be checked forever by the combined force of the other powers. The peace of the Far East will be thus endangered and even the existence of the Japanese Empire as a nation will no doubt be imperilled. It is therefore our first important duty at this moment to enquire of our Government what course is to be adopted to face the general situation after the war? What preparation are being made to meet the combined pressure of the Allies upon China? What polkey has been followed to solve the Chinese Question? When the European War is terminated and peace restored we are not concerned so much with the question whether it is to be the Dual Monarchies or the Triple Entente which emerge victorious but whether, in anticipation of the future expansion of European

European influence in the Continents of Europe and Asia, the Imperial Japanese Government should or should not hesitate to employ force to check the movement before its occurrence. Now is the most oppertune moment for Japan to quickly solve the Chinese Question. Such an oppertunity will not occur for hundreds of years to come. Not only is it Japan's divine duty to act now, but present conditions in China favour the execution of such a plan. We should by all means decide and act at once. If our authorities do not avail themselves of this rare opportunity, great difficulty will surely be encountered in future in the settlement of the Chinese Question. Japan will be isolated from the European Powers after the war and will be regarded by them with envy and jealousy, just as Germany is now regarded. Is it not then a vital necessity for Japan to solve at this very moment the Chinese Question?

11. The Chinese Question and the Defensive Alliance.

It is a very important matter of policy whether the Japanese Government, in obedience to its divine mission, shall solve the Chinese Question in a heroic manner by making China voluntarily rely upon Japan or by forcing her to a position where she is obliged to rely upon Japan. To force China to such a position there is nothing else for the Imperial Japanese Government to do but to take advantage of the present opportunity to seize the reigns of political and financial power and to enter by all means into a defensive alliance with her under secret terms as enumerated below:

The Secretary Terms of the Defensive Alliance.

The Imperial Japanese Government with due respect for the Sovereignty and Integrity of China and with the object and hope of maintaining the peace of the Far East, undertakes to

share

share the responsibility of co-operating with China to guard her against internal trouble and foreign invasion and China shall accord to Japan special facilities in the matter of China's National Defence, or the protection of Japan's special rights and privileges and for these objects the following treaty of Alliance is entered into between the two contracting parties:

1. When there is internal trouble in China or when she is at war with another nation or nations, Japan shall send her army to render assistance, to assume the responsibility of guarding Chinese territory and to maintain peace and order in China.

2. China agrees to recognise Japan's privileged position in South Manchuria and Inner Mongolia and to cede the sovereign rights of these regions to Japan to enable her to carry out a scheme of local defence on a permanent basis.

3. After the Japanese occupation of Kiaochow, Japan shall acquire all the rights and privileges hitherto enjoyed by the Germans in regard to railways, mines and all other interest and after peace and order is restored in Tsingtao, the place shall be handed back to China to be opened as an International treaty port.

4. For the maritime defence of China and Japan, China shall lease strategic harbours along the cost of the Fukien province to Japan to be converted into naval bases and grant to Japan in the said province all railway and mining rights.

5. For the reorganization of the Chinese army China shall entrust the training and drilling of the army to Japan.

6. For the unification of China's fire arms and munitions of war, China shall adopt fire arms of Japanese pattern, and at the same time establish arsenals by the help of Japan in different strategic points.

7. With the object of creating and maintaining a Chinese Navy, China shall entrust the training of her Navy to Japan.

8. With the

8. With the object of reorganising her finances and improving the methods of taxation China shall entrust the work to Japan, and the latter shall elect competent financial experts who shall act as first class advisers to the Chinese Government.

9. China shall engage Japanese educational experts as educational advisers and extensively establish schools in different parts of the country to teach Japanese so as to raise the educational standard of the country.

10. China shall first consult with and obtain the consent of Japan before she can enter into an agreement with another power for making loans, the leasing of territory, or the cession of the same.

From the date of the signing of this Defensive Alliance, Japan and China shall work together hand-in-hand. Japan will assume the responsibility of safeguarding Chinese territory and maintaining the peace and order in China. This will relieve China of all future anxieties and enable her to proceed energetically with her reforms, and, with a sense of territorial security, she may wait for her national development and regeneration. Even after the present European War is over and peace is restored China will absolutely have nothing to fear in the future of having pressure brought against her by the foreign powers. It is only thus that permanent peace can be secured in the Far East.

But before concluding this Defensive Alliance, two points must first be ascertained and settled. (1) Its bearing on the Chinese Government. (2) Its bearing on those powers having intimate relations with and great interests in China.

In considering its effect on the Chinese Government, Japan must try to foresee whether the position of China's present ruler Yuan Shih Kai shall be permanent or not; whether the present Government's policy will enjoy the confidence of a large section of the Chinese people; whether Yuan Shih Kai will readily

agree

agree to the Japanese Government's proposal to enter into a treaty of alliance with us. These are points to which we are bound to give a thorough consideration. Judging by the attitude hitherto adopted by Juan Shih Kai we know he has always resorted to the policy of expediency in his diplomatic dealings, and although he may now outwardly show a friendliness towards us, he will in fact rely upon the influence of the different powers as the easiest check against us and refuse to accede to our demands. Take for a single instance, his conduct towards us since the Imperial Government declared war against Germany and his action will then be clear to all. Whether we can rely upon the ordinary friendly methods of diplomacy to gain our object or not it does not require much wisdom to decide. After the gigantic struggle in Europe is over, leaving aside America which will not press for advantages, China will not be able to obtain any loans from the other powers. With a depleted treasury, without means to pay the officials and the army, with local Bandits inciting the poverty stricken populace to assemble, with the revolutionists waiting for opportunities to rise, should an insurrection actually occur while no outside assistance can be rendered to quell it, we are certain it will be impossible for Yuan Shih Kai, single handed, to restore order and consolidate the country. The result will be that the nation will be cut up into many parts beyond all hope of remedy. That this state of affairs will come is not difficult to foresee. When this occurs, shall we uphold Yuan's Government and assist him to suppress the internal insurrection with the certain assurance that we could influence him to agree to our demands, or shall we help the revolutionists to achieve success and realize our object through them? This question must be definitely decided upon this very moment so that we may put it into practical execution. If we do not look into the future fate of China but go blindly to uphold Yuan's government, to enter

enter into a Defensive Alliance with China, hoping thus to secure a complete realization of our object by assisting him to suppress the revolutionists, it is obviously a wrong policy. Why? Because the majority of the Chinese people have lost all faith in the tottering Yuan Shih Kai who is discredited and attached by the whole nation for having sold his country. If Japan gives Yuan the support, his Government, though in a very precarious state, may possibly avoid destruction. Yuan Shih Kai belongs to that school of politicians who are fond of employing craftiness and cunning. He may be friendly to us for a time, but he will certainly abandon us and again befriend the other powers when the European War is at an end. Judging by his past we have no doubt as to what he will do in the future. For Japan to ignore the general sentiment of the Chinese people and support Yuan Shih Kai with the hope that we can settle with him the Chinese Question is a blunder indeed. Therefore in order to secure the permanent peace of the Far East, instead of supporting a Chinese Government which can neither be long continued in power nor assist in the attainment of our object, we should rather support the 400,000,000 Chinese people to renovate their corrupt government, to change its present form, to maintain peace and order in the land and to usher into China a new era of prosperity so that China and Japan may in fact as well as in name be brought into the most intimate and vital relations with each other. China's era of prosperity is based on the Chino-Japanese Alliance and this Alliance is the foundational power for the repelling of the foreign aggression that is to be directed against the Far East at the conclusion of the European War. This Alliance is also the foundation stone of the peace of the world. Japan should therefore take this as the last warning and immediately sovle this question. Since the Imperial

Japanese

Japanese Government has considered it imperative to support the Chinese people, we should induce the Chinese Revolutionists, the Imperialists and other Chinese malcontents to create trouble all over China. The whole country will be thrown into x disorder and Yuan's Government will consequently be overthrown. We shall then select a man from amongst the most influential and most noted of the $,000,000 of Chinese and help him to organize a new form of Government and to consolidate the whole country. In the meantime our army must assist in the restoration of peace and order in the country, and in the protection of the lives and properties of the people, so that they may gladly tender their allegiance to the new Government which will then naturally confide in and rely upon Japan. It is after the accomplishment of only these things that we shall without difficulty gain our object by the conclusion of a Defensive Alliance with China. For us to incite the Chinese Revolutionists and malcontents to rise in China we consider the present to be the most oppertune moment. The reason why these men cannot now carry on an active campaign is because they are insufficiently provided with funds. If the Imperial Government can take advantage of this fact to make them a loan and instruct them to rise simultaneously, great commotion and disorder will surely prevail all over China. We can then intervene and easily adjust matters.

The progress of the European War warns Japan with greater urgency the imperative necessity of solving this most vital of questions. The Imperial Government cannot be considered as embarking on a rash project. This opportunity will not repeat itself for our benefit. We must avail ourselves of this chance

and under no circumstances to hesitate. Why should we wait for the spontaneous uprising of the revolutionists and malcontents? Why should we not think out and lay down a plan beforehand? When we examine into the form of Government in China, we must ask whether the existing Republic is well suited to the national temperament and well adapted to the thoughts and aspirations of the Chinese people. From the time the Republic of China was established up to the present moment, if what it has passed through is to be compared to what it ought to be in the matter of administration and unification, we find disappointment everywhere. Even the revolutionists themselves, the very ones who first advocated the Republicsn form of Government acknowledge that they have made a mistake. The retention of the Republican form of Government in China will be a great future obstacle in the way of a Chino-Japanese alliance. And why must it be so? Because, in a Republic, the fundamental principles of Government as well as the social and moral aims of the people are distinctly different from that of a Constitutional Monarchy. Their laws and administration also conflict. If Japan act as a guide to China and China models herself after Japan, it will only then be possible for the two nations to solve by mutual effort the Far East Question without differences and disagreements. Therefore to start from the foundation for the purpose of reconstructing the Chinese Government, of establishing a Chino-Japanese Alliance, of maintaining the permanent peace of the Far East and of realizing the consumination of Japan's Imperial policy, we must take advantage of the present opportunity to alter China's Republican form of Government into a Constitutional Monarchy which shall necessarily be identical, in all its details, to the Constitutional Monarchy of Japan, and to no other. This is really the key and first principle to be held firmly for the actual reconstruction of the

form of Government in China. If China changes her Republican from of Government to that of a Constitutional Monarchy, shall we, in the selection of a new ruler, restore the Emperor Hsuan T'ung to his throne or choose the most capable man from the Monarchists or select the most worthy member from among the Revolutionists? We think, however, that it is advisable at present to leave this question to the exigency of the future when the matter is brought up for decision. But we must not lose sight of the fact that to actually put into execution this policy of a Chino-Japanese Alliance and the transformation of the Republic of China into a Constitutional Monarchy is, in reality, the fundamental principle to be adopted for the reconstruction of China.

We shall now consider the bearing of this Defensive Alliance on the Powers. Needless to say, Japan and China will in no way impair the rights and interests already acquired by the Powers. At this moment it is of paramount importance for Japan to come to a special understanding with Russia to define our respective spheres of influence in Manchuria and Mongolia so that the two countries may co-operate with each other in the future. This means that Japan, after the acquisition of sovereign rights in South Manchuria and Inner Mongolia, will work together with Russia, after her acquisition of sovereign rights in North Manchuria and Outer Mongolia, to maintain the status quo, and endeavour by every effort to protect the peace of the Far East. Russia, since the outbreak of the European War, has not only laid aside all ill feelings against Japan, but has adopted the same attitude as her allies and shown warm friendship for us. No matter how we regard the Manchurian and Mongolian questions in the future she is anxious that we find some way of settlement. Therefore we need not doubt but that Russia, in her attitude towards this Chinese Question, will be

able to come to an understanding with us for mutual co-operation.

The British sphere of influence and interest in China is centered in Tibet and the Yangtze Valley. Therefore if Japan can come to some satisfactory arrangement with China in regard to Tibet and also give certain privileges to Great Britain in the Yangtze Valley, with an assurance to protect these privileges, no matter how powerful Great Britain might be, she will surely not oppose Japan's policy in regard to this Chinese Question. While this present European War is going on Great Britain has even asked Japan to render her assistance. That her strength will certainly not enable her to oppose us in the future need not be doubted in the least.

Since Great Britain and Russia will not oppose Japan's policy towards China, it can readily be seen what attitude France will adopt in regard to the subject. What Japan must now somewhat reckon with is America. But America in her attitude towards us regarding our policy towards China has already declared the principle of maintaining China's territorial integrity and equal opportunity and will be satisfied, if we do not impair America's already acquired rights and privileges. We think America will also have no cause for complaint. Nevertheless America has in the East a naval force which can fairly be relied upon, though not sufficiently strong to be feared. Therefore in Japan's attitude towards America there is nothing really for us to be afraid of.

Since China's condition is such on the one hand and the Powers' relations towards China is such on the other hand, Japan should avail herself in the meantime of the European War to definitely decide upon a policy towards China, the most important move being the transformation of the Chinese Government to be followed up by preparing for the conclusion of the Defensive

Alliance. The precipitated action on the part of our present Cabinet in acceding to the request of Great Britain to declare war against Germany without having definitely settled our policy towards China has no real connection with our future negotiations with China or affect the political condition in the Far East. Consequently all intelligent Japanese, in every walk of life throughout the land, are very deeply concerned about the matter.

Our Imperial Government should now definitely change our dependent foreign policy which is being directed by others into an independent foreign policy which shall direct others, proclaiming the same with solemn sincerity to the world and carry it out with determination. If we do so even the gods and spirits will give way. These are important points in our policy towards China and the result depends on how we carry them out. Can our authorities firmly make up their mind to solve this Chinese Question by the actual carrying out of this fundamental principle? If they show irresolution while we have this heaven-conferred chance and merely depend on the good will of the other Powers, we shall eventually have greater pressure brought against the Far East after the European War is over, when the present equilibrium will be destroyed. That day will then be too late for us to repent our folly. We are therefore impelled by force of circumstances to urge our authorities to a quickened sense of the situation and come to a determination.

C O P Y

LOAN AGREEMENT MADE BETWEEN THE REVOLUTIONARY PARTY REPRESENTED BY CHANG YAO CHING AND HIS ASSOCIATES ON THE FIRST PART AND KAWASAKI KULANOSKE OF THE SECOND PART.

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1. The Europe and Asia Trading Company undertakes to raise a loan of 500,000 Yen. After the Agreement is signed and sealed by the contracting parties the Japanese Central Bank shall hand over 3-10 of the loan as the first instalment. When Chang Yao ching and his associates arrive at their proper destination the sum of 150,000 Yen shall be paid over as the second installment. When final arrangements are made the third and last instalment of 2000000 Yen shall be paid.

2. When money is to be paid out, the Europe and Asia Trading Company shall appoint supervisors. Responsible individuals of the contracting parties shall jointly affix their seals (to the checks) before money is drawn for expenditure.

3. The Europe and Asia Trading Company shall secure a volunteer force of 150 men, only retired officers of the Japanese army to be eligible.

4. On leaving Japan the travelling expenses and personal effects of the volunteers shall be borne by themselves. After reaching China Chang Yao ching and his associates shall give the volunteers the pay of officers of the subordinate grade according to the established regulations of the Japanese army.

5. If a volunteer is wounded while on duty Chang Yao ching and his associates shall pay him a provisional compensation of not exceeding 1000 Yen. When wounded seriously a provisional compensation of 5000 Yen shall be paid. When wounded to the extent of mutilation a compensation of 50,000 Yen shall be paid as well as a life pension in accordance with the rules of the Japanese army. If a volunteer meets with an accident thus losing his life an indemnity of 50,000 Yen shall be paid to his family.

6. If a volunteer is not qualified for duty Chang Yao ching and his associates shall have the power to dismiss him. All volunteers are subject to the orders of Chang Yao ching and his associates and to their command in the battle fields.

7. When volunteers are required to attack a certain selected place if shall be their duty to do so. But the necessary expenses for the undertaking shall be determined beforehand by both parties after investigating into existing conditions.

8. The volunteer force shall be organized after the model of the Japanese army. Two Japanese officers recommended by the Europe and Asia Trading Company, shall be employed.

9. The Europe and Asia Trading Company shall have the power to dispose of the public properties in the places occupied by the volunteer force.

10. The Europe and Asia Trading Company shall have the first preference for working the mines in places occupied and protected by the volumteer force.

Secret Documents Handed to the Legation

April 22, 1915.

April 20, 1915.

It has been reported that the Chinese rebels in Japan in the name of the "Political Reform Party of the Republic of China"through the introduction of Kaichiro Yashigawa, a native of the District of Fukuoka, has obtained a loan of 3,000,000yen from a wealthy merchant. It was decided that the revolution shall be completed within two months, that the first instalment of 1,000,000 yen should be paid in cash and that the balance should be made in the form of ammunitions to be supplied to the rebels at various places where the revolution is to start.

The Agreement between the two parties was drawn up in the beginning of April and was signed by Sun Wen, head of the revolutionistsm Huang Yi-ou (黃一歐), representative and son of Huang Hsing (黃興), Chen Chi-mei (陳其美), Tai Tien-chou (戴天仇), Chu Cheng (居正), Wang Tung (王統), Li Keng-yuan (李根源), Hu Han-ming (胡漢民), Hsiung Ke-wu (熊克武), Po Wen-wei (柏文蔚), Hsu Chung-chih (許崇智), Hu Ying (胡英), and Tan Jen-feng (譚人鳳, who had just arrived at Tokyo from the Straits Settlements), representing Tsen Chun-hsuan (岑春萱), Li Lieh-chun (李烈鈞), and Chen Chiung-ming (陳炯明). There were over twenty signatures and seals. It was agreed that the loan was to be redeemed on the first opportunity after the revolution

revolution becomes a success. A payment of 700,000 yen was made in cash on the 4th instant and was taken over by Tan Jen-feng, Hu Han-ming, Hsiung Ke-wu, and Li Keng-yuan. In the name of the "Political Reform Party" Tan Jen-feng was appointed Great Tutuh or Generalissimo of Kwangtung and Kwangsi with Hu Han-ming as assistant; Hsiung Ke-wu as Great Tutuh or Generalissimo of Szechuan, Yunnan, and Kweichow with Li Keng-yuan as assistant. They are now on their way to their respective destinations, each with over a hundred followers. Chen Chiung-ming is to reside at Hongkong and from there to render assistance to the rebels.

April 21, 1915.

During the autumn of 1914, four Japanese accompanied by a Chinese arrived at Urga and stayed in the Tung Ta (通達) lodging house in the Liu Tao Street (六道街). They have now removed to a Russian lodging house in Ma Shih (馬市) or Horse Bazaar Quarter. They disguised themselves as Koreans and pretended to be selling medicine and curing sickness. Consequently many Princes and Lamas of Outer Mongolia called on them for medical attendance and treatment. It is now secretly ascertained that several Japanese had arrived at Urga many days ago. They promised to help Outer Mongolia to declare her independence and to supply the necessary military supplies and funds. The minds of many of the Mongolian Princes and Lamas are influenced (by this tempting offer).

Part

C O P Y

April 20, 1915.

Agreement made between Sun Wen (Sun Yat Sen) the leader of the Chinese revolutionary party and Inogai the leader of the Japanese Liberal Party.

1. As China and Japan are in the same continent and the two peoples are of the same race and use the same language, they should help each other in order to maintain peace and order in the Far East.

2. After the Chinese Revolutionary Party has achieved success, they shall in consultation with the Japanese Liberal Party form a constitution embodying the five Fundamental Principles of Government and create a Sino-Japanese Union.

3. After the creation of this Union the Japanese Emperor shall be proclaimed the Emperor of this United State.

4. After the creation of this Union, China shall change Republicanism into Monarchy and Sun Wen (Sun Yat Sen) shall be created King of China.

5. After the creation of this Union, the Emperor of this United State shall confer peerages and honours on both Japanese and Chinese who have achieved distinguished merit.

6. In case of war between any other Power or Powers with China and Japan the Chinese navy and army shall be under the control of the Japanese Government. This article shall not be applicable at ordinary times.

7. When the Chinese Government negotiates any diplomatic question with any other power, it shall always ask the advice of the Japanese Foreign Office.

8. After the creation of this Union, China and Japan shall not interfere in the internal administration of each other at ordinary times.

9.

9. The Japanese Liberal Party shall request the Japanese Government to accord specially favorable treatment to the Chinese Revolutionists in Japan.

10. When Chinese revolutionists are in danger in China, the Japanese Liberal Party shall request the Japanese Government to instruct its Consuls stationed in China to accord them proper protection.

11. Before and after the Chinese revolutionists start an uprising, the Japanese Liberal Party shall request the Japanese Government to supply them with funds and arms and ammunition.

12. When the Chinese revolutionists are in danger, the Japanese Liberal Party shall request the Japanese Govehnment to help them with troops. These troops must adopt the Chinese style of dress and their commanders must be all Chinese.

13. After the Chines revolutionists achieve success, all special privileges concerning Mongolia and Manchuria shall be ceded to Japan.

14. After the Chineserevolutionists achieve success, Fukien Province shall be ceded toJapan.

15. The different administrative organs in China shall engage a certain number of Japanese as advisers.

16. Preferential rights shall be granted to the Japanese to finance the Chinese industrial undertakings such as railway construction, mining and navigation.

17. The Chinese army and navy shall engage a certain number of Japanese as instructors.

18. The different Chinese educational institutions shall engage a certain number of Japanese as teachers and insert in their curriculum the study of Japanese. The different Japanese schools shall also engage a certain number of Chinese as teachers to teach Chinese.

19. In case the Chinese revolutionists fail to attain their

object, the Japanese Liberal Party shall request the Japanese Government to give suitable appointments to their leaders.

20. This Agreement shall be effective at any time. It shall not be altered unless with the consent of the two parties.

(4)

April 20, 1915.

It has been reported that the Chinese rebels in Japan in the name of the "Political Reform Party of the Republic of China" through the introduction of Kaichiro Yashigawa, a native of the District of Fukuoka, has obtained a loan of 3,000,000 yen from a wealthy merchant. It was decided that the revolution shall be completed within two months, that the first instalment of 1,000,000 yen should be paid in cash and that the balance should be made in the form of ammunitions to be supplied to the rebels at various places where the revolution is to start.

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C O P Y

April 18, 1915.

TRANSLATION.

Secret Agreement made between Sun Wen(Sun Yat Sen) and the Japanese.

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In order to preserve the peace in the Far East, it is necessary for China and Japan to enter into an offensive and defensive alliance whereby in case of war with any other nation or nations Japan shall supply the military force while China shall be responsible for the finances. It is impossible for the present Chinese Government to work hand in hand with the Japanese Government nor does the Japanese Government desire to cooperate with the former. Consequently Japanese politicians and merchants who have the peace of the Far East at heart are anxious to assist China in her reconstruction. For this object the following Agreement is entered into by the two parties:

1. Before an uprising is started, Terao, Okura, Tseji Karoku and their associates shall provide the necessary funds, weapons and military force, but the funds so provided must not exceed 1,500,000 Yen and rifles not to exceed 100,000 pieces.

2. Before the uprising takes place the loan shall be temporarily secured by 10,000,000 worth of bonds to be issued by Sun Wen (Sun Yat Sen). It shall however be secured afterwards by all the movable properties of the occupied territory. (See Article 14 of this Agreement).

3. The funds from the present loan and military force to be provided are for operations in the provinces south of the Yellow River viz: Yunnan, Kweichow, Hunan, Hupeh, Szechuen, Kiangsi, Anhwei, Kiangsu, Chekiang, Fukien, Kuangsi and Kuangtung. If it is intended to invade the Northern Provinces North of the Yellow River, Tseji Karoku and his associates shall participate with the revolutionists in all deliberations connected with such

operations.

4. The Japanese volunteer force shall be allowed from the date of their enrollment active service pay in accordance with the regulations of the Japanese Army. After the occupation of a place, the two parties will settle the mode of rewarding the meritorious and compensating the family of the killed, adopting the most generous practice in vogue in China and Japan. In the case of the killed, compensation for each soldier shall, at the least, be more than 1000 Yen.

5. Wherever the revolutionary army might be located the Japanese military officers accompanying these expeditions shall have the right to advise a continuation or cessation of operations.

6. After the revolutionary army has occupied a region and strengthened its defences, all industrial undertakings and railway construction and the like, not mentioned in the Treaties with other foreign Powers shall be worked with joint capital together with the Japanese.

7. On the establishment of a new Government in China, all Japan's demands on China shall be recognized by the new Government as settled and binding.

8. All Japanese Military Officers holding the rank of Captain or higher ranks engaged by the Chinese revolutionary army shall have the privilege of being continued in their employment without a limit as to date and shall have the right to ask to be thus employed.

9. The loan shall be paid over in three instalments. The first instalment will be 400,000 Yen, the second instalment ..... Yen and the third instalment ..... Yen. After the first instalment is paid over, Okura who advances the loan shall have the right to appoint men to supervise the expenditure of the money.

10. The Japanese shall undertake to deliver all arms and ammunition in the Districts of Jih Chao and Haichow. (In Shantung and Kiangsu, south of Kiaochow.)

11. The payment of the first instalment of the loan shall be made not later than three days after the signing of this Agreement.

12. All the employed Japanese military officers and Japanese volunteers are in duty bound to obey the orders of the commander of the revolutionary army.

13. The commander of the revolutionary army shall have the right to send back to Japan those Japanese military officers and Japanese volunteers who disobey his orders and their passage money shall not be paid if such dedision meets with the approval of three or more Japanese who accompany the revolutionary force.

14. All the commissariat departments in the occupied territory must employ Japanese experts to cooperate in their management.

15. This agreement takes effect immediately it is signed by the two parties.

The foregoing fifteen articles have been discussed several times between the two parties and signed by them in February. The first instalment of 400,000 Yen has been paid according to the terms of this Agreement.

C O P Y

A New Military Plan just Decided Upon by the Japanese General Staff for Operation Along the Yangtse and Sea Coast of China.

1. New Plan for Military Operations.

Along the Yangtse Valley, Japan may station troops in two places viz: Hankow and Shanghai. But the most strategic points and places most suitable for industrial and commercial developments are not adapted for the purpose of stationing troops.

Although Major-General Fukuda, who has returned from a tour in South China, has made a survey of the different points suitable for military operations, nevertheless there are obstacles in the way of the plan being practically carried out. The Naval Staff Office was then consulted, and it was decided that our war-ships should be used for the stationing of troops to meet emergencies. It was also then decided that troops from the Formosan Islands shall be transported to the coast of the Fukien Province, and to places inside and outside of the mouth of the Yangtse river, so that when an opportune moment comes the main body of our troops and the marines in the navy may march towards the Yangtse Valley to carry on operations and tender assistance to the troops in Hankow and Shanghai. Another body of troops will then land directly in the coast of Fukien Province and commence operations without loss of time.

The General Staff and the Naval Staff Office have also made arrangements with the Ministry of War and the Ministry of the Navy in regard to the appointment of a special Naval Officer to take command of this squadron which shall be called "The South China Coast Land Force." Chinese-speaking interpreters and guides familiar with roads in South China will also be despatched to render assistance when necessary.

2. Secret Agents of the General Staff.

The General Staff will select from the Foreign Language Schools four graduates well versed in the Mongol language, and

appoint

appoint them as Special Agents to control and direct the movements of all the Japanese already in or going to Mongolia. These Agents will give instructions to the men under them in all matters regarding travelling expenses, daily expenses and measures to be taken so as to push matters ahead simultaneously in all directions.

The principal object is to establish intimate connections with the Mongol Princes and the leading Lamas by advancing them loans in cash or by secretly promising them privileges. These four Agents will be sent to four places, viz: Mukden, Kirin, Heilungkiang and Kalgan. Nominally they will travel as tourists or to investigate special subjects, but in fact their special mission is to cultivate the goodwill of the Mongol Princes and Lamas.

The Japanese Consul in Mukden has already elected three experienced graduates in foreign languages and recommended them to be sent to Mukden, Kirin and Heilungkiang. The Agent for Kalgan will be selected by the Japanese Legation in Peking or the Japanese Consul in Tientsin. These several Agents are now on their way to their respective destinations.

Letter from the Japanese General Staff to the Military and Naval Attachés of the Japanese Legation in Peking on the subject of the Sino-Japanese Negotiations.
(Tr)

In the demands on China there are questions concerning the engagement of Military Advisers, the purchase of arms and ammunition, and the arsenals. These are the most vital points against the Chinese Government. Much difficulty will be experienced before a satisfactory settlement can be reached. We doubt whether the Chinese Government realise the deep meaning hidden underneath the idea entertained by our army who proposed these questions. If the Chinese Government interprets these questions in the sense of ordinary engagement of advisers and purchase of arms a speedy settlement may be expected. But on the contrary, if the Chinese suspect that these questions comprise part of the general scheme of our future national defence, then it will be very difficult to come to a settlement. At first the Premier and the Foreign Minister were of the opinion that although China is weak she would never accede to these demands. But since these demands have been made we shall have to resort to force if they were rejected. We very much doubt if such action on our part would have a beneficial effect on our present foreign policy. But after careful consideration we are convinced that for the sake of our own national defence it is necessary for us to obtain substantial power in China. It was due to this reason that these three demands were

added

added. Needless to say, China is the first country to bear the brunt of our expansion policy.

The demands connected with the Fukien Province proposed by our navy are the most vital points against America. For if Japan can secure the naval control of San To Harbor and the adjacent seacoast we shall be able to reduce the value of the Philippine Islands as the American naval base in the Pacific and thus frustrate her policy in that direction.

The three demands proposed by our army as mentioned above are also the most vital points against Russia as they would reduce the usefulness of the Siberian Railway as a military weapon. The army spent more than ten years in formulating these plans, ever hoping that opportunities would arise for us to push our plans to a successful end. The settlement of these demands is a question of life and death with Japan.

We (the Japanese General Staff) have always urged those in Government to push ahead this forward policy. You (the Japanese Military and Naval Attachés) must therefore pay special attention to the subjects under discussion during each conference and under no circumstances allow yourselves to be negligent in the meantime. If you have doubts on any point, telegraph a summary of the matter, followed by a more detailed report by mail.

C O P Y

April 21, 1915.

During the autumn of 1914, four Japanese accompanied by a Chinese arrived at Urga and stayed in the Tung Ta [ ] loding house in the Liu Tao Street. They have now removed to a Russian lodging house in Ma Shih or Horse Bazaar Quarter. They disguised themselves as Koreans and pretended to be selling medicine and curing sickness. Consequently many Princes and Lamas of Outer Mongolia called on them for medical attendance and treatment. It is now secretly ascertained that several Japanese had arrived at Urga many days ago. They promised to help Outer Mongolia to declare her independence and to supply the necessary military supplies and funds. The minds of many of the Mongolian Princes and Lamas are influenced [by this tempting offer].

(11)

April 26, 1915.

Reports from Tsinan state that in the districts of Kiao Chow (膠州) and Jih Chao (日照,) robberies are of frequent occurrence and wealthy persons are constantly seized by the robbers for ransom. Pirate boats also ply along the coast of Kung K'ow (貢口) and Ta Chu Shan (大珠山) looking for opportunities to loot and plunder. With a view to safeguarding the peace and order of the place, the Chinese authorities intended to send men-of-war to cruise along the coast. The Japanese Consul should have no reason to oppose to such a plan but he has now declared that after consulting the Naval and Military Commanders of Tsingtao they could not consent to Chinese men-of-war to come within the leased territory or the war zone. The Chinese authorities again requested to be allowed to send river police instead of soldiers, but the Japanese consul still objected strongly to the proposal.

For these robbers to be ravaging the country is a source of disturbance to China and what benefit can any other nation derive from these ravages? We can hardly find a reason for the Japanese to refuse the Chinese authorities to do their duty by putting an end to these robberies and preserving the peace of the region.

(12)

April 26, 1915.

It is reported that the Headquarters of the Japanese Gendarmary in Li Chun (李村) has recently issued passports to the bandits in the vicinity of Tsingtao and that a bandit leader named Yin Shih Wu (尹錫吾) secured several hundred of these passports. This means the addition of another gang of several hundred bandits, who, being armed with Japanese passports, will ravage Shantung. How unfortunate it is for the people of that Province.

13

April 26, 1915.

News concerning bandits in Wei Hsien (濰縣) and I Chow (沂州)

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After the bandits were repulsed from Tsi Mo (即墨) by the Chinese troops, they again appeared in Chü Ch'eng (諸城) and Jih Chao (日照) which places they looted. A fisherman of Kung K'ow (貢口) was captured and put on board a steam launch painted black. He was released afterwards and stated that he saw among the bandits several Japanese who were directing operations.

There are now several hundred bandits in Ta Chü Shan (大珠山) south of Kiao Hsien (膠州), and in the harbours of Ku Chên (古鎮) and Hu Tao (湖島). They all came from Tsingtao and are being transported by 5 steam boats or launches to their landing places.

It is no wonder that bandits are willing to act as cats paws to certain foreigners. It is however beyond our understanding why a certain nation boasting of their high civilization should allow such robberies to go on and give the robbers protection without paying the least attention to public opinion.

PEKING DAILY NEWS, April 8th, 1915.

Interview with Mr. Obata.

A well-known Chinese correspondent by the name of Hwang Hua secured an interview with Mr. Obata, the first secretary of the Japanese Legation three days ago. The interview appeared in the *Sin Wha Pao*. The following is a brief record of their conversation which touched upon a number of interesting questions of the day.

Mr. Hwang: Your demands made to China are very serious. It seems to me that the demand for the right to reside and to own land in Manchuria and for policing that part of the country, if granted, will injure our sovereignty and will affect our territorial integrity. Should the other Powers some time later demand equal privileges, basing such demands upon the most favoured nation clause, China would be placed in great danger. In that case, the professed policy of Japan to preserve the peace of the Far East and the territorial integrity of China would be inconsistent with the actual reaults. In view of the imminent danger which faces China, I have come to you for enlightenment.

Mr. Obata: The Manchuria question which you have just mentioned has a historical origin. In the Chino-Japanese War, half of the Liaotung Peninsula was occupied by Japanese soldiers, but it was returned to China on account of the intervention from Great Britain, Germany and France. And it was this question that was principally responsible for the Russo-Japanese War, in which Japan sacrificed three hundred thousand lives and two hundred million dollars, but in spite of this enormous sacrifice Japan regretted very much that she did not get suitable compensation. For the solution of this question the demands made by Japan cannot be considered excessive. As to the asking of equal privileges by other Powers, you need not fear that they would make similar demands. There is no Power having such predominance in any part of China as Japan has in South Manchuria. Even if some Powers entertain wild ambitions, they cannot give any pretext in order to make their demands upon China.

Mr. Hwang: Certainly there is no justice in international intercourse. If Germany, Russia, France, Great Britain and the United States present like demands to the Chinese Government, how can China handle such a situation?

Mr. Obata interrupted Mr. Hwang by asking; Do you mean that Germany, Russia, and the United States will ever unit together as is frequently reported in the Chinese press?

Mr. Hwang: No. It is merely my imagination, which has no basis.

Mr. Obata, in commenting upon the situation in Europe said: In international intercourse, advantage and disadvantage receive the first consideration of all nations. We have been given a useful lesson by the European War. Italy is an ally of Germany and Austria, and yet she still remains neutral. It is because the war does not seriously affect her interests. Great Britain, Russia and France are parties to the Entente, but they have made no alliance for defensive or offensive purposes. After hostilities began between Austria and Servia, however, Russia and France jointly attacked Germany, and Germany in turn violated the neutrality of Belgium. Finally Great Britain joined Russia and France as belligerents. All of these Powers were dragged into war by the consideration of their own interests and not on account of the alliance or entente obligations. In my opinion, neither warring party will gain a decisive victory, and war will end when either party has

secured a sixty per cent victory. However, jealousy between the Powers will remain the same as now. If Great Britain's power on the sea be supreme, Germany must try to check her, and if Germany uses her naval prowess to carry out her colonization scheme, her efforts will in turn be checked by England. It is clear that neither Russia, France, Austria nor Italy can make free movement either in the West or in the East. We may rest assured of this state of affairs in future. In view of this we are sure that these Powers will not have an opportunity to pursue their policy of self-interest in the Far East. However, should Russia, Germany and the United States unite together and put their hands on this continent, Japan will not sit quiet, and it is positive that she will make an attempt to deal with them.

Mr. Obata continued : China is in a forlorn condition. In making these demands Japan aims at establishing closer relations between China and Japan. If China and Japan, whose relations are similar to that of the teeth and lips can co-operate, they can obtain mutual advantages, either military or financial. If this can be accomplished, we need not fear from the people of the white race. I regret very much that Chinese cannot see this point of view.

He hoped that the principles of the demands may be agreed to in the next three or four conferences, and added that it would take some time to negotiate the details.

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No. 617.

Peking,

May 4th. 1915.

CONFIDENTIAL

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The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

In continuation of my confidential despatch No. 597 of April 5th, I have the honor to report on the progress of the negotiations between China and Japan:

The results of the diplomatic conferences and other matters incidental to the negotiations have been reported in my telegrams of April 7, 10:00 p.m.; 8, 4:00 p.m.; 9, 8:00 p.m.; 12, 8:00 p.m.; 14, 7:00 p.m.; 17, 2:00 a.m.; 23, 7;00; 24, 3:00 and 9:00 p.m.; 27, 8:00 p.m., and May 3, 4:00 p.m. I am also enclosing, for the information of the Department, a number of editorials and copies of published correspondence from North China papers bearing on the negotiations. As the telegrams sent by the

Legation

Legation report, step by step, the diplomatic conferences, I shall confine myself at present to some general observations on the situation as it has developed during the past month.

The slow progress of the negotiations is partly due to the inherent difficulty and complexity of the interests and enterprises, which form the subject matter of the demands. It cannot be justly charged that the Chinese Government followed a policy of obstruction and delay: on the contrary, there has probably never been a negotiation in China in which questions of such vast scope were disposed of with similar expedition. At the beginning of April the far-reaching concessions regarding South Manchuria and Shantung, as well as the coastal non-alienation agreement, had practically been settled. The Manchurian question was kept open upon the matter of jurisdiction in police and land cases involving Japanese settlers in the interior. A copy of a Memorandum of the Chinese Government was forwarded in my despatch No. 598 of the 5th ultimo; and a copy of a subsequent Memorandum, handed to the Japanese Minister by the Minister for Foreign Affairs on April 15th, is transmitted herewith. It was suspected that the action of the Japanese Government in again and again adjourning the discussion of this matter in detail was probably due to a desire to keep the question of South Manchuria open in order to afford an opportunity of further commiting the Chinese Government on the demands contained in Group Five.

On these latter demands the Chinese Government throughout consistently took the position that they could not be

not be considered since they involve action inconsistent with the administrative integrity and independence of China, or with treaty obligations to foreign powers, or both. Yielding to the insistent pressure of the Japanese Minister, the Minister for Foreign Affairs, however, consented informally to discuss some of the reasons why the Chinese Government could not make these grants: in the course of this conversation the Japanese Minister repeatedly attempted to treat the statements of the Minister for Foreign Affairs as admissions to be made part of the protocol. As an example of this, I may give the conversation concerning Buddhist missionary rights in China. The Japanese Minister queried on what general principle Buddhist missionaries from Japan should be excluded, while Christian missionaries from Western countries were admitted. The Minister for Foreign Affairs, after alluding to the fact that as China was herself a Buddhist country it was natural that special arrangements might be made with respect to the representatives of some other religion, stated that this would not apply to Buddhists from neighboring countries; and further pointed out that the continuance of extraterritoriality would bring about many difficulties in connection with the free admission of Japanese Buddhist propagandists: he then stated that as far as any general principle was concerned, his Government had, of course, none to urge against Buddhist religious work, but that in this particular matter the difficulties which might arise would be rather of a local nature, as a special situation existed in each of the provinces or localities in China. The Japanese Min-

Minister

ister then immediately asked that the statement that the Chinese Government had no objection on general principle to the admission of Japanese Buddhist missionaries be embodied in the formal protocol. The Minister for Foreign Affairs declined to allow this to be done, stating that the Chinese Government could not make any formal admissions in this matter, that his statements must be taken in the spirit of the general conversation as explaining the difficulties which his Government would experience should it give up its liberty of action in this matter. Nevertheless, the Japanese Minister insisted upon this part of the minutes being initialed by the secretaries.

At the conference of May 1st the Minister for Foreign Affairs pointed out that the phraseology in certain of the demands of Group Five in the revised list of Japan was based on expressions which he had employed in the course of conversations when he was explaining the reasons why it was impossible for China to negotiate this particular Group; and he again insistently emphasized, as had been done at the time, that these conversations were in no way to be considered as implying a formal discussion and possibly involving admissions of principle, but that they had been entered into with the explicit declaration that no such admissions could be made and that the conversations should be considered as an informal explanation by the Minister for Foreign Affairs of the necessities under which the Chinese Government acted.

During the discussion of the demand relating to the Province of Fukien very pointed references were made to a "certain Power" - understood by all present as referring to the

to the United States of America. It was stated that it was of equal importance to China and to Japan to have a complete assurance that any efforts of this "certain Power" to obtain a foothold in Fukien Province through getting control, directly or indirectly, of any of the naval bases there should be frustrated. It was urged that the time was favorable for the making of an arrangement by which this "certain Power" would be excluded from the possibility of obtaining such a foothold; the present administration was stated to be favorable to the withdrawal of American pretensions, but that it was uncertain whether such pretensions would not again be taken up by some future administration.

When the demand for railway grants south of the Yangtze River was under discussion, the Japanese Minister insisted that if concessions which had in the past been asked for by Japanese had actually been granted to another Power, this of itself constituted a proof of the unfriendliness of China towards Japan. The Minister for Foreign Affairs pointed out that negotiations had never been seriously taken up with any Japanese concerning these railway lines: thereupon the Japanese Minister advanced the astounding proposal that China should grant these railway concessions to Japan and leave it to the latter to come to an agreement with Great Britain concerning any conflicting claims which might arise.

During these negotiations there was frequently perceivable an undertone of hostility against all Western nations, with the implication that Japan was making these far-reaching demands not only on her own account, but also as a

as a champion of China against Western aggression. This attitude of mind was very strongly marked in the concurrent discussion and comment outside of the council chamber: responsible Japanese in conversation with Chinese officials took pains to emphasize the fact that British Colonies and the United States were excluding both Chinese and Japanese from their dominions and that such a condition could not last if China should confidently place herself in the hands of Japan in order to have her administrative and military systems organised for thorough efficiency.

On April 26th, after an intermission of one week in the negotiations, the Japanese Minister handed to the Chinese Government a revised list of demands which is reported in my telegram of April 27, 8:00 p.m. The statement regarding the Hanyehping Company was later modified, as a mistake had been made in the decoding of the instructions to the Japanese Legation: as it now stands, it would involve a declaration favorable to the formation of a joint company with Japan, the Chinese Government binding itself not to transform the company into a state-owned concern nor to allow the company to borrow money abroad for the repayment of the debts owing to Japan.

The formal "withdrawal" of Group Five is accompanied by a re-statement of the principles therein contained which, in the view of the Chinese Government, would render such concessions no less fatal to Chinese independence and administrative integrity. The appointment of Japanese Advisers in administrative and military affairs, the purchase of war supplies and the conduct of arsenals, railway concessions south of the Yangtze River, are demands

which

which are retained under a slightly modified form, but none the less dangerous to China's independence. The Chinese Government has therefore decided to continue its unqualified refusal to entertain these demands. Nor did the formal return of Tsingtau, coupled with conditions which render it of no concrete value to the Chinese Government, appear to be an offer which could be considered a valid quid pro quo for any important concessions on the part of China.

After deliberating throughout the week and taking the counsel of all his ministers and important advisers, the President decided to adhere to his original position that, after making unprecedented concessions with respect to Manchuria, Eastern Mongolia, Shantung, and the Hanyehping Company, it would be impossible for the Chinese Government to grant the still more general rights and privileges asked for in Group Five. Being extremely desirous to maintain the best of relations with Japan, the Chinese Government nevertheless was convinced that if Japan was acting in good faith as a friend of China, the far-reaching concessions now offered would be satisfactory to her. But that if it were the desire of the Japanese Government to exceed these limits and to follow a policy of subjugating China, then the attempt to buy peace by making further concessions inconsistent with the independence of China would be futile, because it was to be foreseen that in such a case concessions would not buy immunity, but would tend to encourage further exactions. The Chinese Government is convinced that on account of its desire to befriend and satisfy Japan, too much rather than too little has already

has already been granted, from the point of view of China's national interest; and that it would be impossible for the Chinese Government to assume, in the face of the Chinese people whose rights it holds in trust, the responsibility for yet more extensive concessions which would permanently shackle her freedom of national development.

As is probably known to the Department, the English version of the full text of the Japanese demands, including Group Five, was published late in April in the JAPAN MAIL, the semi-official Tokyo paper. Thus, the demands the very existence of which was originally categorically denied "upon the highest authority" are now admitted as a matter of course. An interesting sidelight is afforded by the present attitude of the Japanese, who are annoyed not because the Japanese Government was discovered in the act of trying to mislead its own allies, but rather because the attempt to impose the full list upon the Chinese was defeated through timely publicity and a strong expression of public opinion abroad. During the recent past, high Chinese officials have frequently stated to me that while they realize that China could probably not expect material assistance from the United States, yet it is their great desire that the American people should be fully informed of the facts regarding the attack now being made upon China's liberties, because they have the conviction that the public opinion of the world, and especially of the United States, is a great force which will in the long run operate to defeat any policy of injustice.

I have the honor to be, Sir,

Your

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

As stated.

800.

A true copy of the signed original.

China's only Weapon.

Peking, March 8.

In a recent issue of the *Shun Tien Shih-pao*, a Chinese paper controlled by the Japanese an article appeared dealing with the publication of the meetings of the Sino-Japanese conferences. It states that both parties, with the view of preventing wide criticism, agreed that the meetings should be kept secret which it is claimed is in conformance with diplomatic usage and procedure and therefore gives no cause for alarm. The journal goes on to say: "Of late, however, the foreign press have been publishing the proceedings of the Conferences which have been afterwards reproduced in the native press, thus exposing the proceedings which were supposed to be held in secret." After expressing surprise that anything like this should be allowed to happen, the writer goes on to say that the news is given out by a certain newspaperman who publishes it in a certain paper which in turn is reproduced by certain Chinese newspapers and winds up by stating that the Government must put restrictions on the certain official so that its promises of secrecy shall not be violated. If it does not the breaking of its sincere agreements will leave the Chinese Government no grounds for argument.

Reading between the lines one can see that it is expressing the Japanese Government's sense of chagrin that the public should have learned the high handed manner in which the Japanese were treating the Chinese at the Conferences and that it has exposed to the world that Japan is forcing a series of demands down China's throat while leading the world to believe that she is doing nothing of the kind. The Japanese realise that it is useless for Count Okuma to make statements wherein he maintains that the Japanese demands do not conflict with the policies of Equal Opportunity and the Open door, or for Japanese Ambassadors in the foreign capitals to deny that Japan is attempting to wreck China's integrity, when, at the same time the reports of the tri-weekly conference as published by responsible correspondents prove the reverse. The fact that the exposure of Japan's demands as presented to Yuan Shih Kai by the foreign correspondents has brought Japan into public odium is sufficient reason for her to use every means in her power to prevent them from learning what is really happening. The fact is Japan hates and fears publicity for the simple reason that not only does it give the world an opportunity of judging of her true motives but because publicity is the greatest safeguard that China has. If Japan's intentions were honest and honourable and if they did not conflict with her published statements of her demands on China, Japan would have no reason to fear the world knowing what was taking place, but instead would welcome publicity with the object of proving to the world that she had no ulterior motives.

But in prosecuting demands which are at direct variance with her published statements she is endeavouring to hide her evil intentions under a cloak of secrecy, trusting thereby to intimidate China to give up her territory and administrative rights for fear of harsher consequences.

The action of the Japanese Minister at the last conference was significant of this. During the Conference he protested in a most vehement manner against the foreign correspondents being allowed to learn the nature of the proceedings and the tone in which it was uttered and the inferences which he cast were of such a nature that under certain circumstances they could be taken as a threat. At different times during the negotiations the Japanese have protested against the public becoming aware of what was going on, but never before has the Japanese Minister taken such a strong stand. What influence this protest will have on China it is hard to say, but it is impossible to believe that they will allow the Japanese to dictate to them on a matter which is really no concern of theirs. How the

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was going on, but never before has the Japanese Minister taken such a strong stand. What influence this protest will have on China it is hard to say, but it is impossible to believe that they will allow the Japanese to dictate to them on a matter which is really no concern of theirs. How the Japanese expect the Chinese to keep from the world the manner they are being bullied and wronged is difficult to understand; besides it would be criminal folly for them to throw aside the only weapon of defence they have and leave themselves completely in the hands of the Japanese. Should they do this, and hide from the world how the negotiations are proceeding they can hardly expect to secure any sympathy and assistance from the foreign powers later on in the day. By dealing with Japan secretly they will rob themselves of anything of that nature they are entitled to, and the world will say that having dealt with Japan in secret and concluded an agreement with her that China must bear the fruit of her own foolishness. Should China in future agree to keep the world from a knowledge of the negotiations she will be playing into the hands of Japan and allow her to work her own sweet will on China, to that country's detriment. The unwisdom of such a departure is self-evident and the only thing that can prevent China from losing her integrity and status as a nation is Publicity, Publicity, Publicity.—*P. & T. Times.*

MONDAY, APRIL 19, 1915.

JAPAN'S PANTOMORPH PROPOSALS AND THE RIPOSTE.

BY PUTNAM WEALE

I.

The spectacle which has been provided in the capital of China during the past three months has been of so unique a nature that it has ended by attracting universal attention in England and America; for now that the sun is setting on Constantinople, and that the Padishah is to reign there no more, Peking is left as the leading city of intrigues, called upon in the popular imagination to furnish as amazing tales as those which have rendered famous the Caliphate of Haroun-al-Raschid. The nature of the problem which has provoked this world-wide interest has been so exhaustively analyzed in these columns that to say any more on the subject may seem like adding another hue to the rainbow. Still certain things have even to-day not been thrown into sharp enough relief; and if we return to the discussion it is solely because the question of the Chinese riposte to the pantomorph Japanese proposals requires persistent advertisement.

Not only do the Japanese demands cover a large variety of things; not only do they exist in all shapes, but they express, or try to express, the sum total of Japanese ambitions, and at the same time they embody elements from which to create new ambitions and new intemperances of political thought. Such is the nature of their variety that though each demand, taken singly, is seemingly innocuous, their mass-effect is such that granted collectively they are sufficient in themselves to subvert the Chinese State, not by means of militarism or the armed threat, as most people think, but because they would throttle the growth of Chinese financial and economic independence, and turn Chinese economic activities into Japanese channels.

There is another aspect which has not yet been adequately observed, and which we must swiftly touch upon before dealing with what we have just said. It is important to remember that whilst the winning-over of China by a mixed policy of bludgeoning and co-operation, has been the main objective, thrusting at America and discouraging America from taking any future action on the Eastern shores of the Pacific, either in a military or economic sense, is a constant and important secondary objective. This aim peeps out so constantly in various clauses of Japan's proposals that it would not need the words actually spoken in the Conference-room to confirm it. Indeed, it can be broadly said that every slight offered Japan on the Pacific Coast by the American people is avenged in the twenty-one demands of the 18 January.

II.

This greatest of wars having seen almost every accepted principle of the Nineteenth Century hurled into the melting-pot to make a devilish stew, it is perhaps not very wrong of the Japanese, who have often been accused of a lack of originality, to become enamoured with this idea and to contrive something politically so novel that they too have startled the world. Their action, to use an illuminating figure of speech, resembles in conception nothing so much as the trick practised by very expert surf-swimmers on the Japanese coasts: at a chosen moment they turn swift somersaults on the crest of an incoming wave which lands them high and dry on their feet before anyone has seen more than a flash of their naked skin. It is, indeed, to-day as if Japanese surf-swimmers had been cast up everywhere along the shores of the Yellow Sea until China appears to be dotted with them. And now, these little men of the sea, who have made such a sensational *entrée*, demand not only hospitality but rights wherever they have managed to come ashore. No matter whether the shore-line be rugged mountainous land or rich undulating plains, there is something to be asked for. Some times it is farming rights, sometimes a gold mine, sometimes a railway,

sometimes a negative thing such as a demand that nobody else shall go there; and Peking, which has never understood the message of the sea, has been so lost in confusion at the nature of this curious assault that though we have travelled some distance from the first shock of collapse, practically everything in the matter of effective resistance remains to be done. For it is a regrettable fact that for peoples addicted to sedentary lives and wilted by six months of burning sunlight, the endless pitting of brain against brain, and of interest against interest which is nothing but purely defensive warfare, too often does duty for the only kind of action which is really permanently effective, namely constructive retaliatory measures. By concentrating on economic matters and not paying too much attention to the rest it is still possible for China not only to give an entirely different complexion to the future but to render worthless many things which the nation is already prepared to mourn over as lost.

Let us see how this is so. The real attempt on China—the thing which touches Chinese vitals—is contained in the private demands suppressed in Japan's first communication to the Great Powers, demands seeking to introduce certain factors into Chinese life which may effectively prevent the nation from becoming as individualistic and eclectic—and therefore as economically independent—as Japan has become. Take Group III, covering the sweeeping demands made on the Hanyehping Company and on the priceless mineral deposits of the mid-Yangtsze. The object here is plainly to secure that China shall be taught dependence and not independence in the manufacture of iron and steel: that China shall place herself under Japanese tutelage and abandon all those dreams of economic supremacy which she is justified in cultivating. Yet if China would only know it, she is already potentially so wealthy that if she will at once mobilize her native credit resources against Japan in an effective way a sweeping and surprising victory can be cheeply won. Inasmuch as the whole question of mining demands is based on a series of mortgages amounting to the relatively small sum of two million pounds sterling, China should see to it that the Hanyehping Company is authorized to float internal loans guaranteed by the Government, sufficient to pay off pressing creditors, and if necessary to compensate them so richly that they can never make fresh demands. The successful flotation of the $24,000,000 Internal State Loan, which will be terminated next month, will no doubt find that powerful and admirable institution the Hongkong and Shanghai Banking Corporation willing to be associated once more with the Bank of China and the Bank of Communciations in the issue of an Internal Industrial Loan secured on the vast enterprises of the Hanyehping Company. The flotation of such a loan, which is an easy task, would mark a new era in the Chinese stock-markets and be attended by very beneficial results; for it will convince investors that not only is a great field for sound silver investments open in this country, but that very great amounts of internal credit have become available for operations which nobody dreamed of four years ago. It is not generally realized that private individuals have deposited in Eastern banks to-day sufficient sums of silver to insure vast credit-creations which will practically free China from the necessity of going to the European markets after the war, if she knows how to tap them. Calculations by reputable statisticians are now proving conclusively that for every piece of coined money in the world, the credit-creations amount to exactly thirteen times: that is, for every sovereign of gold there are thirteen pounds of negotiable paper. If this ratio be applied to the hundred million Mexican dollars lodged in Shanghai and elsewhere, it will be seen that China has sufficient silver "in sight" to permit credit-creations for a sum of upwards of a thousand millions of dollars, immediately the Chinese people have become accustomed to investing in Anglo-Chinese script—and proper marketing-facilities have been established. Chinese thrift is such that not only can this country dispense

with foreign loans but in the course of time should become a great creditor-nation. The expression of Chinese thrift in a readily marketable form is, indeed, the one and only weapon which will immediately defeat all politico-economic intrigues. And just as this method of internal co-operation is the one means of effectively meeting assaults on private rights so in the matter of such things as Government arsenals can much the same method be employed.

III.

Let us say something pertinent on this crucial matter. Some months ago President Yuan Shih-kai personally set his approving mark on the modernization of an important Chinese arsenal proposed by the representatives of a great British engineering firm—a reform, be it said, which had for object not the undermining of Chinese authority but the increase of that authority. Documents containing the most detailed plans concerning this matter were sent to the Ministry of War there to be detained in pigeon-holes; but now that the time is so ripe for action it is not too much to hope that a swift development will take place. The advances made during the past twelve-month in the science of ballistics and in gun-steel and explosives are such that Japanese material, based on borrowed and already antiquated models, is greatly outclassed and undoubtedly could not survive the test of open competitions; and if China establishes without delay a competent War Materials Commission and conducts public tests, the whole question of standardisation of of her arms—with which is bound up the question of the control of her army—will assume a vastly different complexion.

Let us be frank. In the matter of steel—which like money and credit creations is just now so vitally important for China—Japan is still in the infants' class. The Muroran Iron Works, established in Hokkaido jointly by the two British firms of Vickers and Armstrong on account of the Japanese Government, to manufacture gun and other steel, have not yet solved initial problems. Similarly the Wakamatsu Iron Works, which are dependent on the Yangtsze for their ore, after losing immense sums during the past twenty years are to-day barely self-supporting. It is manifestly absurd for a Power that is still at school in such technical matters to aspire to the role of master in a vast country which must depend more and more upon scientific and up-to-date industry to nourish a swarming population. It is still more absurd for a Power that has not one-tenth the latent financial power of China to talk of financing China. There is much more that we could say on the subject; there are a hundred other things. But we have already set down a sufficient number of important and illuminating facts to show the innate absurdity of the so-called *desiderata* of the twenty-one demands. So far from being that they cry aloud that they would be nothing but *stigmata*—the marks of wounds—on the body of the stirring Chinese giant, if they were tolerated. It is vital to the life of China that diplomacy and industry should henceforth be absolutely separated from one another and not made a further cause for political palsy. The mobilization of Chinese credit and the development of ideas which have been briefly touched upon in this article should be pushed to the very utmost. The swifter the action on the part of the Peking Government the greater will be the final relief, giving assurance for the hope that never again will such a document as that served on President Yuan Shih-kai on the 18 January be dreamed of.

KING GAZETTE, MONDAY, APRIL 19, 1915.

The Chino-Japanese Conference.

The Peking correspondent of a Tientsin contemporary reports that at Thursday's Sino-Japanese Conference it was expected that some attempt would have been made on the part of the Japanese to settle the Manchurian question, but it is now apparent that the Japanese do not intend to settle this question until they have been granted other demands which they fear China would be justified in refusing to discuss once this question is settled. By way of variation the Japanese on Thursday demanded that they should be granted certain concessions in Inner Eastern Mongolia similar to those granted in Manchuria. The discussion lasted for some time and finally the Chinese made a counter-proposal wherein they expressed their willingness to make various concessions in Inner Eastern Mongolia on the condition that the Japanese agreed to forego all claims contained in Group V. The Japanese did not see their way clear to agree to this counter-proposal and the meeting can be said to have ended without anything definite being accomplished. According to reports the meeting was carried on with more decorum and more in accordance with diplomatic usage and courtesy than have characterised some of the recent meetings although the Japanese delegates shewed no signs of giving way on any particular point. It must be pointed out that through the whole of the negotiations the Chinese have been subjected to treatment more in the nature of that accorded to a defeated enemy. It has been maintained that even if Japan had defeated her in war it is doubtful if China could have been treated any more harshly or have had less courtesy shown her. Considering that China and Japan are supposed to be on the most friendly standing it is difficult to understand why Japan should go to such pains to heap indignities upon her in the manner she has done. By acting as she has done during the past few months she has raised a spirit of opposition and antagonism in the breasts of the Chinese people which it will be difficult to eradicate, and she is forcing the people of this country to resort to measures, the results of which will greatly affect Japan's relations with this country in the future.

* * *

Japan's Imperial Dreams

Those who fully understand, continues the correspondent, Japan's economic position are fully aware that she has to look for areas of expansion overseas and the field to which she naturally turns is China. But instead of endeavouring to carry out commerical expansion by the means of which she would have brought untold riches to her impoverished shores she has decided to embark on a system of territorial aggrandisement with the object of establishing an Empire on the mainland with the ultimate object of dominating the whole of China and the complete ousting of all foreigners. It is even said that she has imperialistic dreams which cover a far wider field, which are of such a nature that they aim to ruin the whole of Europan and American prestige in the Far East. The fact that several of the responsible Japanese officials should have outlined plans of this description to the Chinese and have pointed out that the present demands were not aimed to do the Chinese any damage but to put obstacles in the way of other foreigners in the future is proof that the Japanese have visions of this kind. One Japanese official in discussing the present Japanese attitude towards China and the opposition of the Europeans towards Japan pointed out that neither the Chinese or Japanese were allowed into America, Australia, Canada and many other places and stated they were objected to simply because they were Asiatics. He wound up by stating that if the Chinese with their vast numbers and resources would place themselves under the control of the Japanese not only could they keep China for the Chinese but they would become so strong that there were many adjacent territories that would fall into their hands. While this statement is not complete and other schemes affecting Great Britain's Asiatic possessions were spoken of, the above is sufficient to prove that the Japanese have dreams of an Eastern Empire unequalled in the world's history and that although she attempts to ape the ways of the Westerner and has to thank them for her present position she aims at their destruction and will attempt to carry it out when she really believes that she is in the position to do so.

AN AMERICAN OBLIGATION.

Yesterday we dwelt upon the satisfaction with which Sir Edward Grey's reply would be received in Chinese circles, by its explicit re-affirmation of Britain's intention to abide by her settled policy in China. We wish to turn to-day to some consideration of the position and attitude of that other Power whose consistent advocacy of the policy of the Open Door and Equal Opportunity for all nations in China has hitherto contributed not a little to securing the maintenance of the integrity and independence of China. We are well aware that from the United States Government we may not hope to receive more support than can be accorded from the utmost efforts of American diplomacy. But recognising and appreciating the value and high moral effect which have followed American policy in the Far East, the Chinese Government—at the present crisis when the maintenance of the integrity and independence of the country is again threatened by a bold and aggressive Power—may and should expect to receive once more the full strength of America's moral support in order to face the biggest danger in the modern history of China. The American Government must be well aware of the repeated attempts of the enemies of China to mislead and misrepresent to the chancelleries of the Great Powers the true nature of the corpus of demands Japan has been attempting to extort from China. The Department of State at Washington cannot be ignorant of the significant change in public opinion in America and in Europe regarding the real aims and motives of Japan—first the incredulity and open disbelief in the grave reports telegraphed by responsible British and American correspondents independently accredited at Peking; the greater readiness to accept the assurances of the innocuousness of the Japanese demands, emanating from the Tokio Government supported by the inspired communiques of Japanese Embassies abroad; and the gradual and delayed awakening of the American and English press to the astounding confirmation of the early revelations of the true inwardness of the Japanese demands. The Authorities at Washington are also not unaware of the many insidious attempts that have been made to represent to China and the world that the United States are thoroughly satisfied with the "explanations" and assurances of Japan and are prepared to acquiesce in the Japanese pressure upon China and also of the not less insidious and dishonourable suggestion that, in return for American acquiescence, Japan would agree completely to modify and moderate her demands upon the American Government with respect to the outstanding causes of friction with Japan in California.

It cannot be a surprise to the American Government's responsible representatives, that in recent weeks the publicity given to the above insinuations and innuendoes, repeatedly circulated and implied in a multitude of ways, have had the unfortunate effect of creating doubt in the minds of the responsible Chinese regarding the present attitude of the United States. The non-committal attitude and silence of the United States has in truth created dismay in the minds of many in high Chinese circles who in the past had been taught to believe that the moral and disinterested support of at least one Great Power would not be withheld in a moment of danger to the new Republic. If, as we believe, the pronouncement of Sir Edward Grey cannot help but have a tonic effect upon the action and attitude of the responsible members of the Chinese Executive, we venture to suggest to the responsible representatives of the United States that the time has arrived for their Government to break—officially and publicly—the long silence which has hitherto served to create distrust and uneasiness in the minds of Chinese statesmen regarding the present attitude of the great sister Republic

Italy, we are assured by the foremost of the Milan publicists, might have received in exchange for her co-operation the promise of Corsica, of Nice, of Savoy, of Tunis, of

SATURDAY, APRIL 24, 1915.

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Details of "Modification."

Peking, April 28.

The more one can learn of the new series of demands presented by Japan to China the more astounding do they appear when it is taken into consideration that Japan still maintains that she has no intention of interfering with China's integrity and that she will observe the open door and equal opportunity policies according to the pledges she has made with the various powers.

In my yesterday's wire I gave a number of the main alterations and points in the new series of demands but since then I have been able to secure a number of other interesting alterations which will go a long way to illuminate the "friendly" attitude of Japan toward China; her ideas of Equal Opportunity and the "Open Door" and the methods she intends to adopt to "preserve the peace of the Far East."

Japan still maintains that the Chinese should use Japanese political, financial and military advisers and to all intents and purposes attempts to debar subjects of other nationalities from being employed in that capacity. When one reflects that Japan has hardly got over the stage of using foreign advisers to put her country in order and to teach her how to carry out the work of her various government organs on a civilized basis and in accordance with Western ideals, the demand that she alone shall be allowed to teach China the art of good government is evidence of a national egoism that borders on the ridiculous. The fact that she has not yet secured a constitutional form of Government in the real sense of the word; has a judicial system which according to western methods of law administration, is considered both primitive and inefficient; hardly fits her to act as schoolmaster to China, yet she demands that she be given this post of honour. From a moral and educational point of view it is impossible for her to be of any use to China.

Han Yeh Ping. With regard to this company Japan still maintains needs this vast iron field, and wants it under government control, and if the Chinese were to place twice the amount they owe her on the table she would not accept it.

Buddhism. With regard to this clause I am given to understand that she has consented to waive this clause for the time being, or as she diplomatically puts it "until some opportune moment in the future" It will be remembered that this was the same expression that she used when China refused to discuss the Mongolian and Group V demands. The "opportune moment" arrived when she had settled all the other questions of importance, and the same will happen in this instance. Japan still maintains her claim for the right of owning land for the purpose of building schools, churches, and hospitals. Whether Japan dropped the demand for the propagation of Buddhism for the time being, simply because it made her the laughing stock of the world it is hard to say, but if that is dropped it is difficult to understand what use they intend to make of the Churches.

Yangtze Railways As pointed out by me yesterday there have been some modifications and some additions with regard to these railways. Japan has in no way relinquished her demand for them and the modifications that she has made, are those which suit her own purpose and place her in a position to argue about the disposal of certain concessions which do not in any way belong to her and which have previously been conceded to nationals of another country.

The most interesting thing connected with the presentation of the new set of demands is the sop that has been offered to China in the shape of Tsingtau. The Japanese have intimated that in the event of China behaving herself and doing just as she is told she will receive a nice present. Providing that the Japanese are satisfied with the manner China comports herself with regard to the Demands she will be rewarded by having Tsingtau handed back to her—on conditions. These

for her to be of any use to China.

Han Yeh Ping. With regard to this company Japan still maintains that she has the right to become partner in this purely Chinese Company, situated on Chinese soil. It is no longer considered as a commercial concern and Japan wants to tack it on to the few national assets that she has. Japan demands that the Chinese Government shall assist the Japanese Government to persuade the shareholders of the company to reorganize the company under joint Chinese-Japanese control and that a number of influential Chinese shall journey to Japan to discuss the question there. If once these people landed in Japan any fair chance they might have of negotiating fairly would immediately vanish. The fact that the Japanese try to force the Government to *persuade* the shareholders to the reorganization is evidence that the Japanese acknowledge that the concern is a commerical one, and things are coming to a pretty pass when an alien country demands that they shall forego their legitimate rights in what is likely to become a very profitable concern. This is a sample of the manner in which the Japanese use any commercial contract to forward governmental schemes of aggression. The Chinese could raise the money to pay off their indebtedness to Japan within a short space of time, but as pointed out by me some time ago, Japan will not allow China to pay off this debt, while she is pretending to the world that she only wishes to reorganize the Company simply to protect the money she has invested in the concern. The fact is Japan

regard to the Demands she will be rewarded by having Tsingtau handed back to her—on conditions. These conditions are that the Japanese shall be allowed to retain all the railways, that the port shall be thrown open to foreign trade in the shape of an International settlement with a large concession reserved for Japan. This will practically make Tsingtau a Japanese port. Besides the above Japan demands that the Customs, postal and telegraph services shall remain in their hands, while a few other demands of equal magnitude are included.

It is difficult to understand what benefit can accrue to China by having this territory handed back under these conditions. In this instance Japan is treating China like a little child and trying to get her to give way to the demands by offering her this plum.

There is only one thing for China to do now and that is to come out boldly and state to the world the manner in which she is being bullied. It was a mistake she did not do so in the first instance for by taking the world into her confidence and letting the true situation become known it would have prevented things reaching their present state. The highwayman is now holding the pistol at China's head and unless someone comes to her assistance she will be forced to grant concessions which not only interfere with her territorial and administrative integrity but will force her to grant concessions which will come in conflict with those she has already granted to other powers. —*P. & T. Times.*

...day, May 8, 1915.

...EASTERN CRISIS.

...July 28, 1914, the Austro-Hungarian Minister at Belgrade presented to the Servian Government an ultimatum demanding unconditional compliance with ten demands relating to the suppression of the Pan-Servian Agitation and the punishment of alleged accomplices in the Serajevo crime. When the text of this ultimatum was notified to the Powers both the British and Russian Foreign Ministers drew attention to the fifth demand, which in their opinion was the most objectionable of the whole series. This demand read as follows: "The Royal Servian Government further undertake: to accept the collaboration in Servia of representatives of the Austro-Hungarian Government in the suppression of the subversive movement directed against the territorial integrity of the Monarchy." It was this demand in particular, to which Servia objected in her reply, though she expressed her willingness to "admit such collaboration as agrees with the principle of international law, with criminal procedure, and with good neighbourly relations." It was probably this demand also which Sir Edward Grey had in mind when, on July 29, he informed the Austrian Ambassador that "it would be quite possible, without nominally interfering with the independence of Servia or taking away any of her territory, to turn her into a sort of vassal State." The presentation by Austria-Hungary of this and other demands, did not, as we now know only too well, contribute to the maintenance of the peace of Europe. Admitting that Austria-Hungary had a just grievance against Servia, it still remains an indisputable fact that she forfeited the sympathy of the world (her allies alone excluded) by attempting to impose upon a sovereign State terms too humiliating to be borne—terms which would have reduced Servia to a condition of vassalage towards her greater neighbour. Servia conceded all that she could without sacrificing rights which even the smallest and weakest State holds dear, and then, reluctantly took up arms once more and prepared to defend those rights to the last. Although from this cloud, the size of a man's hand, a tempest has arisen which has swept over the whole of Central Europe, and involved no fewer than eight States in war, the two chief sufferers up to the present have been Servvia and Belgium both of whom were compelled in the last resort, to fight to defend their independence.

We are witnessing to-day a crisis in the Far East which involves not a few of the principles which plunged Europe into war. The analogy is by no means an exact one but the issues at stake are almost identical. We have, on the one side, China, an immense and ancient nation, with an industrious and peace-loving population, but a nation which owing to inherent defects of the race and a long period of virtual isolation is weak—actually as weak when compared with Japan, as Servia was in comparison with Austria—if strength be measured solely by military efficiency. We have, on the other side a vigorous, prosperous and progressive island Empire, which, unlike China, responded promptly to western influences, and has attained, in an incredibly short space of time, a military efficiency second to that of no other Power in the world. But we have not, in this case, the element of provocation, provided by the Serajevo crime. Between China and Japan at the present moment the sole questions at issue are the desire of the former to retain, and of the latter to obtain, certain rights and privileges which it is indisputably within China's right to concede or to withhold as she thinks fit. Recognizing its limitations, the Chinese Government has, ever since the outbreak of the European war, carefully abstained from any act of provocation or unfriendliness to Japan. It is true that the latter selected as a pretext for the formidable list of demands presented in Peking, the Chinese Government's formal notification of the cancellation of the war-zone in Shantung, but this pretext has hardly been referred to, and has been completely lost sight of, during the negotiations which have been in progress in the Capital since January last. It has also been said that the demands fall under two categories—long outstanding questions between Tokio and Peking, and the inheritance by Japan of German rights and privileges in China at the conclusion of the war. We do not think that anyone who has taken the trouble to read the text of the original demands will concur in this classification. It can scarcely be doubted that the sole reason for the presentation of Japan's demands at this time is a desire to acquire rights and privileges which would otherwise be beyond her grasp, at a time when the rest of the world is preoccupied with the great war in Europe.

Our own classification of the demands also places them in two classes: those which are reasonable, and those which are unreasonable and which China cannot concede without turning herself into a sort of *vassal State*. We certainly consider that, at the proper time, Japan is entitled to succeed to all exclusive rights and privileges hitherto enjoyed by Germany in Shantung. We consider also, that in view of her sacrifices in blood and treasure Japan cannot reasonably be expected to abandon the enterprises and rights which she has acquired in South Manchuria, and that it is in the interest of both countries that such of those privileges as are governed by a time limit should be definitely extended, in order to dispose of all elements of uncertainty. We should naturally expect Japan to secure guarantees, at the same time, that her interests in South Manchuria shall not be encroached upon by third parties. The demand for the right of residence and landownership in South Manchuria and Eastern Mongolia does not seem to us to be altogether a reasonable one, but as China has yielded in the case of South Manchuria, Japan might well refrain from pressing for similar privileges in Eastern Mongolia, where it is not true that she has hitherto enjoyed "a specially favourable position." The Hanyehping Corporation is a commercial enterprise, and it seems to us highly improper that it should be coerced into becoming a joint Sino-Japanese Concern, and as such given the right to veto the development of any other undertaking which "directly affects the interests of the said Company." Japan needs iron ore, but so does China, and what is purely a commercial question of supply and demand ought to be treated as such, and not converted into what would virtually be a Japanese monopoly. The demand that no island, port or harbour along the coast shall be ceded to any third Power is not unreasonable, unless it be intended to ex-

empt a second Power (i.e. Japan) from the operation of this article. It is when we come to Group 5 that the Japanese demands become most objectionable. One article of this group, that providing for joint police administration in all important cities, a demand which is not dissimilar from Article 5 of the Austro-Hungarian ultimatum to Servia, is reported to have been withdrawn. Of those that remain, the most objectionable are the demands which aim at placing China under Japan's military tutelage. They include the stipulations that China shall employ forceful Japanese as advisers in politcal, financial and military affairs, and that China shall either purchase upwards of fifty per cent. of her munitions from Japan, or establish a jointly worked arsenal with Japanese technical experts, and purchase the material therefor, from Japan. We have seen, in the case of Turkey, what foreign military tutelage leads to, and apart from such considerations it is against China's interests to undertake to purchase more than half of her munitions from one market, regardless of price. At the conclusion of the present war millions of rifles and rounds of ammunition will probably be obtainable from Europe at a nominal price, and China should not be debarred from placing her orders in the cheapest market. The Yangtze railway demands, both from China's and from the British point of view, are extremely objectionable. We have never before heard of a loyal Ally seeking to obtain such concessions at the expense of the nation to which it is allied. It would have been far more dignified and honourable of Japan to have withdrawn this demand as soon as it was brought to her notice that it conflicted with existing British concessions. Japan owes it to Great Britain not only to respect her rights, but to uphold her prestige, and an attempt to wrest from China concessions which are hers conflicts with both these duties. We cannot believe that Japan will continue to press the Yangtze Valley demands once she is reminded that to do so will be to encroach upon our rights, and damage our prestige in China's eyes. The Fukien demands should be susceptible of a compromise. As they stand they appear to us too far-reaching. The right to construct harbour-works and dockyards would seriously impair China's sovereignty in Fukien. As to what may be termed the philanthropic demands—such as the right to build schools, churches and hospitals in the interior, and to propagate Buddhism—it would seem that Korea would be a fruitful field for such undertakings and that, pending the arrival of the day when foreigners are at liberty to reside and conduct business outside the Treaty Ports, these rights might remain in abeyance. Finally, it may be said that as China throughout the negotiations has shown a conciliatory and reasonable spirit, and, with a thoroughness which does her credit, has held in check the anti-Japanese agitation in all parts of the country, it behoves Japan to refrain from taking any action which may embitter the relations between the two countries, or so far as she is concerned, forfeit the respect and confidence of the outside world.

THE JAPANESE DEMANDS

CHINA'S REPLY.

OFFER TO HAND BACK TSINGTAU WITHDRAWN.

(From Our Own Correspondent.)

Peking, May 2.

As forecasted by me in my despatch of April 30th the Chinese at yesterday's meeting at the Wai Chaopu refused to accede to the demands of Japan as outlined in their "revised" list presented on April 26th.

Yesterday's meeting which was by special arrangement was of short duration and practically nothing of a discursive nature took place. China's Minister of Foreign Affairs handed to the Japanese Minister two documents. One contained the demands to which China was willing to accede and the other was devoted to explanatory matter and in refuting statements which Lu Cheng Hsiang was supposed to have made and on which the Japanese based their claims in Group V. While the Chinese can be said to have refused to agree to give in to the demands as presented on April 26 it can yet be maintained that China's reply was in the nature of a counter proposal in many instances.

The Chinese in their reply first touch on Shantung and with the exception of article one agree to the Japanese demands. Article one, they point out, was the subject of a counter proposal at an early stage of the negotiations, the counterproposal being that China should be allowed to participate at the end of the war, in the conference which was to decide the ultimate fate of Shantung. (2) that they should be indemnified for the losses sustained during the period of hostilities. (3) the Japan should guarantee the restoration of the *status quo ante bellum*. At the time that this counter proposal was brought up the Japanese representative had suggested that the question should be left over until some time in the future. As this was not in Japan's "revised" list of demands, the Chinese inserted it in their reply and requested its consideration. With regard to Manchuria the Chinese practically agreed to all that Japan demanded but maintained that they were completely justified in insisting in the case of land disputes that such cases should be tried by a Chinese Court but they expressed their willingness to allow a Japanese representative to be present to protect the interests of his national.

With reference to the four demands made by the Japanese in connection with Mongolia the Chinese expressed their willingness to agree to three out of the four. They agreed to give Japan preference with regard to railways, to open certain places as treaty ports, and not to pledge local taxes for loan security unless with the permission of Japan. The Demand with regard to farming and the establishment of workshops or manufacturies was omitted.

China's reply note places the Fukien demand in a position by itself. China modifies this demand but apparently with the object of proving to Japan that she is willing to give in as much as possible, she undertakes not to lease to any foreign nation any coastal concession or to make any loan or give any contract to any outside country without first gaining Japan's consent.

With regard to the Han Yeh-ping Company China agrees in principle to the concern becoming a Sino-Japanese commercial undertaking and practically agrees to the proposal made by Japan last Thursday.

(This it will be remembered was a note to tha Chinese Foreign Office from the Japanese Minister which stated that owing to a mistake made when decoding his instructions the exact meaning of Japan's demand was not made clear in the "revised" list of demands. What Japan was willing to accept was: That the Han-Yeh-ping Company should be a purely commercial concern and that China would undertake not to make the Company a Government or State owned concern and that no foreign capital would be borrowed to pay off the company's indebtedness to Japan.)

With reference to Group V the Japanese were informed that it was impossible for the Chinese Government to give in.

The Japanese Minister requested to know what attitude the Chinese took towards the Yangtze railways. He was informed that it was impossible for the Chinese Government to discuss this question with Japan owing to China having pledged them to another Power and that was a question of National good faith which prevented her from so doing. It was pointed out to the Chinese that when presenting the "revised" list of demands Japan had promised to restore Tsingtau to the Chinese with certain stipulations providing China agreed to accept the "revised" list of twenty-four demands, but as it was now proved that they did not the offer of the restoration of Tsingtau was withdrawn. It was pointed out by China's representative that the basis of certain of the demands concerning Group V in Japan's latest demands were based on certain expressions which he had made use of when explaining to the Japanese representative why it was impossible for China to negotiate this particular Group. It was pointed out that at the time it was made clear that these conversations were in no way to be considered binding and were to be considered in no way as discussions. By some unfortunate mistake several of his

utterances had been misconstrued and were being made use of. China's Foreign Minister also stated that the charges that China had delayed the negotiations or procrastinated in any manner were untrue as were the charges that China had shown insincerity or unfriendliness toward Japan; neither was it true that she had attempted to start a newspaper campaign. Minister Hioki attempted to touch on Group V after the document had been read to him but the Chinese delegate replied that as they were of different opinions on this subject the matter had better be dropped. The Japanese Minister then asked if these were the maximum concessions that China was willing to make and received a reply in the affirmative. In reply to his question as to whether he could inform his Government to that effect he was informed that he could.

Dr. Hioki expressed disappointment with China's reply and was of the opinion that it would not be satisfactory to his Government.

It can thus be seen that China has determined to put up a stand for her national dignity and integrity, or what the Japanese have left of it. That the move is a serious one is fully realised. Since the Note was presented on April 26 the Government has held continual meetings and the President and his Cabinet Ministers and Advisers have held many Conferences. It is now clear that they consider that they have given as much to Japan as their honour permits and that no amount of threatening or bullying is going to extract more. They have resigned themselves to the inevitable and if Japan is determined to wring from them by main force the remainder of the unconceded demands, then they feel satisfied that it would be better to have it bludgeoned out of them than to stand by meekly and see themselves bereft of all they possess. The next move is up to Japan. Whether she will act the bully or whether she is prepared to show some sign of chivalry the future will show.

Japan.

Re Japanese Ultimatum
Officer's views of negotiations Tokyo
Translation of texts, see
Embassy's communication of Dec.
No. 628.
2.2. 1916 (file # 710/800)

Peking.

May 17, 1915.

Japanese Ultimatum
Transmits Copies

Sub. .....

Recd. .....
Ack. .....
Ans. .....
Ref. .....
A.e. .....

CONFIDENTIAL.

F.O.

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

In continuation of my confidential despatch (No. 617) of May 4th, (File No. 800), I have the honor to transmit for your information copies of a number of documents connected with the Ultimatum of May 7th which closed the negotiations between China and Japan.

The first document contains the proposal for a settlement which was advanced by the Japanese Minister on
(1) April 26th and was then stated to contain the minimum which the Japanese Government could accept.

On May first the Minister for Foreign Affairs met the
(2) Japanese Minister in conference and read to him a memorandum in which he argued that the Chinese Government had

given

given ample proof of its friendliness and sincerity towards Japan through the extensive concessions which it had offered and in which he gave the reasons for withholding assent to other demands. At the same time the Minister for Foreign Affairs handed to the Japanese Minister a statement of the
(5) maximum of concessions which the Chinese Government was ready to make. (The translation enclosed was made by the Chinese Secretary and by him annotated with reference to the agreement of this version with the text of the original demands).

On May 7th at 3:00 P.M. the Japanese Minister handed to the Minister for Foreign Affairs a memorandum which was in fact an ultimatum with acceptance limited to fifty-one hours, in which there was demanded the acceptance without
(4) alteration of all the Articles of Groups one, two, three and four in the Japanese revised list of demands of April 26th, together with an exchange of notes in connection with Fukien Province. This Ultimatum was accompanied by an explan-
(5) atory note in which various points of detail were discussed.

At midnight of the 8th of May the reply of the Chinese Government accepting the Ultimatum unconditionally was
(6) delivered to the Japanese Minister.

(Japanese Communications Foreign Affairs Part 2 vol. Peking May-1915 p. 453 WRAP 9-5-21)

As the Japanese Government had issued a statement con-
(7) cerning the negotiations, a copy of which is enclosed, the
(8) Chinese Government on May 15th issued a statement in which its position is fully explained.

Enclosure No. 8 also contains a number of the other texts herein separately enclosed which have been left together for convenience in reference.

On May 13th the President issued a Mandate based upon
(9) a Memorial received from the Tsan Cheng Yuan or Council of State in which it s declared to be the policy of the Chinese Government

Government that "hereafter no part of the coast or any port, bay or island thereof, will be ceded or leased to any foreign country."

I am further enclosing a copy of a telegram sent by the President to the Provincial authorities on May 5th, in which certain instructions are given with respect to the attitude and behaviour of officials and people during the critical period.

(10)

I am also enclosing a copy of an Editorial concerning the official statements of China and Japan.

(11)

When it had been made known that an ultimatum would be delivered the Chinese officials were much perplexed as to whether it was wiser quietly to await the delivery of the ultimatum or to attempt by further concessions to placate the Japanese. During the six days from May 3rd to May 7th councils were held at the President's residence almost daily. I have been informed that on May 5th, which is the Diplomatic reception day at the Foreign Office, the Ministers of Great Britain, Russia and France took occasion to express to the Minister of Foreign Affairs their opinion that it would be wise for China not to attempt armed resistance to the demands of Japan. During May 6th certain conversations were held between the Japanese Legation and the Foreign Office; I was informed that the Counsellor of the Japanese Legation stated to the Vice-Minister of Foreign Affairs that if China had further proposals to make it might be possible for the Legation to intercede. The Chinese Foreign Office, presumably with the consent of the President, thereupon, losing sight of the advantageous position which

China

China held in opposing the demands of Group 5, offered to make further concessions on the points contained in that group. Although the Chinese fully realized that the Japanese Government had put itself in a position where it could not urge the demands of Group 5 by force of arms, they were so panic-stricken at the idea of an ultimatum that they were willing to buy the assurance of peace by foregoing every tactical advantage which they held in the negotiations. The Japanese Legation having ascertained how far the Chinese could be driven to go, then stated calmly that the instructions of the Japanese Government left no alternative but the presentation of the ultimatum, which was carried out on May 7th at 5:00 P.M.

The Chinese were now astonished and chagrined to find that the demands of Group 5 were not urged in the ultimatum; but their annoyance at having unnecessarily committed themselves too far the day before was compensated by a sense of relief because the terms of the ultimatum at first sight seemed so moderate. In the first fullness of satisfaction and relief the Chinese were inclined to understand the stipulation that "the demands of Group 5 will be detached from the present negotiations and discussed separately in the future" as an adroit manner of abandoning those troublesome questions. They were, however, soon to learn that this hopeful interpretation was not in accord with the ideas of the Japanese Legation.

In the discussions preceding the delivery of the ultimatum there had been a very strong party, in which the leading military men were included, favoring resistance to the Japanese demands. Violent scenes are said to have taken place in the council during these discussions. The party favoring resistance argued that while China was not prepared to wage war

war successfully against Japan submission would mean national disintegration and would rob the Government of all authority and popular support while resistance would rally national feeling and make it possible to obstruct the Japanese advance until with the ending of the European war help from abroad could be expected. The strongest representations were made to the President to determine him toward this course of action. When the ultimatum had been delivered, however, the military party realised that it would be decidedly impolitic to offer resistance in view of the fact that the most objectionable demands had been postponed. They therefore assured the President of their support in the disagreeable duty of accepting the ultimatum.

The men who took part in the final council concerning the ultimatum were the following:

The Vice President,

Hsü Shih-ch'ang,

Yang Shih-ch'i,

Ch'ien Neng-hsün,

The Ministers of the various Boards,

Ts'ao Ju-lin, Vice-Minister of Board of Foreign Affairs,

The following members of the Ts'an Chêng Yuan:

Hsiung Hsi ling,

Li Shêng-to (Formerly Japanese Minister),

Chao Erh-hsün,

Yen Fu,

Shih Yü

Yang tu,

Liang Shih-yi,

Lien Fang (Secretary).

May 8th was taken up with the drafting of the Chinese reply to the ultimatum. The Chinese Foreign Office realised that a

that a certain advantage could be gained by giving the answer a form which would imply the abandonment of the demands under Group 5. This would have been accomplished by stating that the Chinese Government accepted the demands of Groups 1, 2, 3 and 4 and was willing to make an exchange of notes respecting Fukien; and that it trusted that in this way a settlement of the pending questions had been effected. But through a tactical mistake the form chosen included the phrase "with the exception of the five articles in the fifth group." The Japanese Legation had expressed a desire to see the answer before it was formally submitted. When they saw the wording chosen by the Chinese they insisted that after the clause as quoted there should be inserted the words""which are to be discussed in the future." In this way it was made perfectly clear that the Japanese Government had no idea of relinquishing the demands in Group 5 but that they had been given the character of unfinished business to be taken up at a future date. The tactical mistake of the Chinese Government was probably due to a desire to appear explicitly to refuse certain concessions. If no mention at all had been made of Group 5 there would have been strong ground for claiming that the postponment of these demands read in connection with the concomitant statements in the Japanese ultimatum, implied their abandonment. This favorable construction is now no longer possible, a fact which the Chinese greatly regret.

When the acceptance of the ultimatum was announced there came from all parts of China many strong expressions of disapproval; but so far, with the exception of slight anti-Japanese outbreaks at Hankow on May 14th and at Chinkiang on May 16th, no popular movements have been reported.

The Presidential

The Presidential mandate with respect to the non-alienation of places along the coast represents the effort of the Chinese to solve this question in such a way as not to commit themselves to the Japanese Government as a protecting power. The Chinese are still considering whether to give formal notice of this mandate to the different treaty powers and it remains to be seen whether the form of the mandate will satisfy the Japanese.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

As stated.

800.

A true copy of the signed original.

REVISED LIST OF DEMANDS AS HANDED TO THE MINISTER OF FOREIGN AFFAIRS BY THE JAPANESE MINISTER ON APRIL 26th.

I

GROUP 1.

Preamble--Same.

Article 1. Same.

Article 2. Same. Word "Engages" replaced by "Declares."

Article 3. The Chinese Government consents that as regards the railway to be built by China herself from Chefoo or Lungkow to connect with the Kiaochow-Tsinanfu railway, if Germany is willing to abandon the privilege of financing the said line, China will approach Japanese capitalists to negotiate for a loan.

Article 4. The Chinese Government engages, in the interest of trade and for the residence of foreigners, to open by herself as soon as possible certain suitable places in the Province of Shantung as Commercial ports.

(Following to be the subject of an Exchange of Notes.)

The places which ought to be opened are to be chosen and the regulations to be drafted by the Chinese Government but the Japanese Minister must be consulted before making a decision.

GROUP 11.

PREAMBLE:-

The Chinese Government and the Japanese Government, with a view to developing their economic relations in South Manchuria and Eastern Inner Mongolia, agree on the following articles.

Article 1. Initialled.

Article 11. Japanese subjects in South Manchuria may lease or purchase the necessary land for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises.

Article III. Same as original, except the term "Eastern Inner Mongolia" is omitted, and the following new paragraph is inserted:

The Japanese subjects referred to in the preceding two articles, besides being required to register with the localauthorities passports which they must procure under the existing regulations, shall also observe police laws and ordinances and tax regulations, which are approved by the Japanese Consul.

Civil and criminal cases in which the defendents are Japanese shall be tried and adjudicated by the Japanese Consul; those in which the defendents are Chinese shall be tried and adjudicated by Chinese authorities. In either instance (the Authorities on the plaintiff's side) can send a delegate to attend the proceedings. But mixed civil cases between Chinese and Japanese relating to land shall be tried and adjudicated by the delegates of both nations conjointly in accordance with Chinese law and local usage. When the judicial system in the said region is completely reformed, all the civil and criminal cases concerning Japanese subjects shall be tried entirely by Chinese law courts.

Article IV. Initialled.

Article V. "

Article VI. "

Article VII. "

Article VIII. "

RELATING TO EASTERN INNER MONGOLIA.

1. The Chinese Government agrees that whenever a loan is to be made with a third power pledging the local taxes of Eastern Inner Mongolia as security, China must negotiate with the Japanese Government first.
2. The Chinese Government agrees that China will herself provide funds for building the railways in Eastern Inner Mongolia; if foreign capital is required, she must negotiate with the Japanese Government first.
3. The Chinese Government agrees, in the interest of trade and residence of foreigners, to open by herself as soon as possible certain suitable places in Eastern Inner Mongolia as Commercial Ports. The places which ought to be opened are to be chosen and the regulations to be drafted by the Chinese Government but the Japanese Minister must be consulted before reaching a decision.
4. If there are Japanese and Chinese who desire to cooperate in agricultural enterprises including incidental manufacture, the Chinese Government shall forthwith give its permission.

GROUP III.

The relations between Japan and the Hanyehping Company being very intimate, if the said Company comes to an agreement with the Japanese capitalists for cooperation, the Chinese Government shall forthwith give its consent thereto. The Chinese Government further agrees that without the consent of the Japanese capitalists China will not convert the Company into a state enterprise, nor confiscate it nor cause it to borrow and use foreign capital other than Japanese.

GROUP IV.

China to make a declaration by herself in accordance with the following principle.

No part of China's coast, bays, harbours or islands shall be ceded or leased to another power.

(The above was previously agreed to.)

GROUP V.

Yangtze Railways.

(By an exchange of Notes.)

A.

As regards the right of financing by loan the Wuchang-Kiukiang-Nanchang-Chaochow railway, if it is clearly ascertained that other Powers have no objection, China shall grant the said right to Japan.

B.

As regards the right of financing by loan the Wuchang-Kiukiang-Nanchang-Chaochow railway, the Nanchang-Hangchow railway, and the Nanchang-Chaochow railway, the Chinese Government shall promise not to grant the said right to any foreign Power before Japan comes to an understanding with the Power which is heretofore interested therein.

Fukien.

(By an Exchange of Notes.)

The Chinese Government agrees that no power shall be permitted to establish along the coast of Fukien Province dockyards, a coaling station for military use, or a naval base; nor will any other installations for military purposes be permitted. The Chinese Government further agrees that China will not use

foreign capital to put up by herself the above-mentioned establishments or installations.

Mr. LU, the Minister of Foreign Affairs, stated as follows:-

1. The Chinese Government shall, whenever, in future, it considers this step necessary, engage numerous Japanese advisers.
2. Whenever, in future, Japanese subjects desire to lease or purchase land in the interior of China for establishing schools or hospitals, the Chinese Government shall forthwith give its consent thereto.
3. When a suitable opportunity arises in future, the Chinese Government will send military officers to Japan to negotiate with Japanese Military Authorities the matter of purchasing munition arms or that of establishing joint arsenals.

Mr. HIOKI, the Japanese Minister, stated as follows:-

As relates to the question of propagating religion (Buddhism), the same shall be taken up again for negotiation in future.

II

MEMORANDUM READ BY THE MINISTER OF FOREIGN AFFAIRS TO MR. HIOKI,
THE JAPANESE MINISTER, AT A CONFERENCE
HELD AT WAICHIAO PU,
MAY 1, 1915.

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The list of demands which the Japanese Government first presented to the Chinese Government consists of five groups, the first relating to Shantung, the second relating to South Manchuria and Eastern Inner Mongolia, the third relating to the Hanyehping Company, the fourth asking for non-alienation of the coast of the country, and the fifth relating to the questions of national advisers, national police, national arms, missionary propaganda, Yangtse Valley railways, and Fukien Province. Out of profound regard for the intentions entertained by Japan, the Chinese Government took these momentous demands into grave and careful consideration and decided to negotiate with the Japanese Government frankly and sincerely what were possible to negotiate. This is a manifestation to Japan of the most profound regard which the Chinese government entertains for the relations between the two nations.

Ever since the opening of the negotiations China has been doing her best to hasten their progress holding as many as three conferences a week. As regards the articles in the second group, the Chinese Government, being disposed to allow the Japanese Government to develop the economic relations of the two countries in South Manchuria, realizing that the Japanese Government attaches importance to its interests in that region, and wishing to meet the hopes of Japan, made a painful effort, without hesitation, to agree to the extention of the 25-year lease of Port Arthur and Dalny, the 36-year period of the South Manchuria railway and the 15-year period of the Antung-Mukden railway all to 99 years; and to abandon its own cherished hopes to regain control of these

places and properties at the expiration of their respective original terms of lease. It cannot but be admitted that this is a most genuine proof of China's friendship for Japan. As to the right of opening mines in South Manchuria, the Chinese Government has already agreed to permit Japanese to work mines within the mining areas designated by Japan. China has further agreed to give Japan a right of preference in the event of borrowing foreign wapital for building railways or of making a loan on the security of the local taxes in South Manchuria. The question of revising the arrangement for the Kirin-Changchun railway has been settled in accordance with the proposal made by Japan. The Chinese Government has further agreed to employ Japanese first in the event of employing foreign advisers on political, military, financial and police matters.

Furthermore, the provision about the re-purchase period in the South Manchurian railway was not mentioned in Japan's original proposal. Subsequently, the Japanese Government alleging that its meaning was not clear, asked China to cancel the provision altogether. Again, Japan at first demanded the right of Japanese to carry on farming in South Manchuria, but subsequently she considered the word "farming" was not bread enough and asked to replace it with the phrase "agricultural enterprises." To these requests the Chinese Government, though well aware that the proposed changes could only benefit Japan, still acceded without delay. This, too, is a proof of China's frankness and sincerity toward Japan.

As regards matters relating to Shantung the Chinese Government has agreed to a majority of the demands.

The question of inland residence in South Manchuria, is, in the opinion of the Chinese Government, incompatible with the treaties China had entered into with Japan and other Powers, still the Chinese Government did its best to consider how it was possible to avoid that incompatibility. At first, China suggested that the

Chinese authorities should have full rights of jurisdiction over Japanese settlers. Japan declined to agree to it. Thereupon China reconsidered the question and revised her counter-proposal five or six times, each time making some definite concession, and went so far as to agree that all civil and criminal cases between Chinese and Japanese should be arranged according to existing treaties. Only, cases relating to land or lease contracts were reserved to be adjudicated by Chinese Courts, as a mark of China's sovereignty over the region. This is another proof of China's readiness to concede as much as possible.

Eastern Inner Mongolia is not an enlightened region as yet and the conditions existing there, are entirely different from those prevailing in South Manchuria. The two places therefore, cannot be considered in the same light. Accordingly, China agreed to open commercial marts first, in the interests of foreign trade.

The Hanyehping Company mentioned in the third group is entirely a private company, and the Chinese Government is precluded from interfering with it and negotiating with another government to make any disposal of the same as the Government likes, but having regard for the interests of the Japanese capitalists, the Chinese Government agreed that whenever, in future, the said company and the Japanese capitalists should arrive at a satisfactory arrangement for cooperation, China will give her assent thereto. Thus the interests of the Japanese capitalists are amplly safeguarded.

Although the demand in the fourth group asking for a declaration not to alienate China's coast is an infringement of her sovereign rights, yet the Chinese Government offered to make a voluntary pronouncement to far as it comports with China's sovereign rights. Thus, it is seen that the Chinese Government, in deference to the wishes of Japan, gave a most serious consideration even to these demands which gravely affect the sovereignty and territorial rights of China as well as the principle of equal opportunity and

the treaties with foreign powers. All this was a painful effort on the part of the Chinese Government to meet the situation - a fact of which the Japanese Government must be aware.

As regards the demands in the fifth group, they all infringe China's sovereignty, the treaty rights of other Powers or the principle of equal opportunity. Although Japan did not indicate any difference between this group and the preceding four in the list which she presented to China in respect to their character, the Chinese Government, in view of their palpably objectionable features, persuaded itself that these could not have been intended by Japan as anything other than Japan's mere advice to China. Accordingly China has declared from the very beginning that while she entertains the most profound regard for Japan's wishes, she was unable to admit that any of these matters could be made the subject of an understanding with Japan. Much as she desired to pay regard to Japan's wishes, China cannot but respect her own sovereign rights and existing treaties with other Powers. In order to rid of the seed for future misunderstanding and to strengthen the basis of friendship, China was constrained the iterate the reasons for refusing to engotiate on any of the articles in the fifth group, yet in view of Japan's wishes China has expressed her readiness to state that no foreign money was borrowed to construct harbor works in Fukien Province. Thus it is clear that China went so far as to seek a solution for Japan of a question that really did not admit of negotiation. Was there, then, evasion on the part of China?

Now, since the Japanese Government has presented a revised list of demands and declared at the same time, that it will restore the leased territory of Kiaochow, the Chinese Government reconsiders the whole question and herewith submits a new reply to the friendly Japanese Government.

In this reply the unsettled articles in the first group are stated again for discussion.

As regards the second group, those articles which have already been initialled are omitted. In connection with the question of inland residence the police regulation clause has been revised in a more restrictive sense. As for the trial of cases relating to land and lease contracts the Chinese Government now permits the Japanese Consul to send an officer to attend the proceedings.

Of the four demands in connection with that part of Eastern Inner Mongolia which is within the jurisdiction of South Manchuria and the Jehol intendancy, China agrees to three.

China, also, agrees to the article relating to the Hanyehping Company as revised by Japan.

It is hoped that the Japanese Government will appreciate the conciliatory spirit of the Chinese Government in making this final concession and forthwith give her assent thereto.

There is one more point. At the beginning of the present negotiations it was mutually agreed to observe secrecy but unfortunately a few days after the presentation of the demands by Japan an Osaka newspaper published an "Extra" giving the text of the demands. The foreign and the Chinese press has since been paying considerable attention to this question and frequently publishing pro-Chinese or pro-Japanese comments in order to call forth the World's conjecture - a matter which the Chinese Government deeply regrets.

The Chinese Government has never carried on any news-paper campaign and the Chinese Minister of Foreign Affairs has repeatedly declared it to the Japanese Minister.

In conclusion, the Chinese Government wishes to express its hope that the negotiations now pending between the two countries will soon come to an end and whatever misgivings foreign countries entertain toward the present situation may be quickly dispelled.

DRAFT AGREEMENT SUBMITTED BY THE CHINESE GOVERNMENT TO THE JAPANESE GOVERNMENT.

MAY 4, 1915. (Tr)

(NOTE: Differences between this Draft Agreement and the Text of the Revised Demands submitted by Japan on April 26th, 1915, are underlined. Where words or clauses contained in the Text of the Revised Demands have been omitted from this Draft Agreement attention is called to the omission in brackets.)

GROUP I

PREAMBLE

The Japanese Government and the Chinese Government being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighborhood existing between the two nations agree to the following articles:-

ARTICLE I

The Chinese Government declares that it will give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all interests which Germany by virtue of treaties and precedents possesses in relation to the province of Shantung.

(Same as Article 1, Group I, of the Revised Demands, but with the words "rights" and "concessions" omitted, and with the substitution of the words "and precedents" for "or otherwise".)

The Japanese Government declares that when the Chinese Government assents to the (disposition of) the interests referred to above, Japan will return Kiaochow Bay to China. It is further agreed that when the

the two Governments of Japan and Germany hereafter negotiate the above matters the Chinese Government will have the right to take part in the negotiations.

ARTICLE II

The Japanese Government agrees to assume full responsibility for the indemnification of all losses arising out of the Japanese military operations in Kiaochow Bay at this time. Before the return of Kiaochow Bay to China the Customs, Telegraphs, Posts, etc., in Kiaochow Bay will temporarily be treated in accordance with procedure previously in force. Military Railways, Telegraphs, etc., added for military reasons will be at once removed. The Japanese military forces left outside the old leased territory of Kiaochow Bay will be now withdrawn. When Kiaochow Bay is returned to China all troops left in the leased territory will be withdrawn.

ARTICLE III

AN EXCHANGE OF NOTES

The Chinese Government declares that within the Province of Shantung and along its coast no territory or island will be ceded or leased to a third power under any pretext.

ARTICLE IV

The Chinese Government consents that as regards the railway to be built by China herself from Chefoo or Lungkow to connect with the Kiaochow-Tsinanfu railway, if Germany is willing to abandon the privilege

of

of financing the said line, China will approach Japanese capitalists to negotiate for a loan.

ARTICLE V

The Chinese Government engages, in the interest of trade and for the residence of foreigners, to open by herself as soon as possible certain suitable places in the Province of Shantung as Commercial ports.

AN EXCHANGE OF NOTES

The places which ought to be opened are to be chosen and the regulations to be drafted by the Chinese Government but the Japanese Minister must be consulted before making a decision.

ARTICLE VI

<u>If hereafter the Governments of Japan and Germany are unable to reach a decision in their negotiations for the return (of Kiaochow Bay), etc., as provided for in the Articles stated above, this provisional agreement will be cancelled.</u>

GROUP II

PREAMBLE

The Chinese Government and the Japanese Government, with a view to developing their economic relations in South Manchuria, agree on the following articles.

(Same as the Preamble of Group II of the Revised Demands, but with the omission of the words "and Eastern Inner Mongolia".)

(ARTICLE I not included, since it has been initialled. See Article 1, Text of Original Demands)

ARTICLE II

ARTICLE II

Japanese subjects in South Manchuria may lease the necessary land for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises.

(Same as Article 2, Group II, of the Revised Demands, but with the omission of the words "or purchase").

ARTICLE III

Japanese subjects (literally, Japanese officials or common people) shall be free to reside and travel in South Manchuria and to engage in business and manufacture of any kind whatsoever.

PARAGRAPH 2 of ARTICLE III

The Japanese subjects referred to in the preceding two articles, besides being required to register with the local authorities passports which they must procure under the existing regulations, shall also observe police laws and ordinances and pay all taxes on the same basis as Chinese.

(Same as Clause 1, Paragraph 2, Article 3, of the Revised Demands, except for the changes underlined, and for the omission of the clause "which are approved by the Japanese Consul.)

PARAGRAPH 3 of ARTICLE III

Civil and criminal cases shall be tried and adjudicated by an official of the nationality of the defendant. In either instance (the Authorities on the plaintiff's side) can send a delegate to attend the proceedings. But cases between Japanese and Japanese and between Japanese and Chinese relating to

disputes

disputes over land or deeds of lease shall all be tried and adjudicated by a Chinese official, the Japanese Consul being also free to send a delegate to attend the proceedings. When the judicial system in the said region is completely reformed, all the civil and criminal cases concerning Japanese subjects shall be tried entirely by Chinese law courts.

(This paragraph differs materially from Paragraph 3, Article 5 of the Revised Demands)

(ARTICLES IV, V, VI, VII, & VIII not included, since they have been initialled. See Text of Original Demands.)

EXCHANGE OF NOTES RELATING TO SOUTHERN MANCHURIA AND EASTERN INNER MONGOLIA

1. The Chinese Government declares that hereafter the various kinds of taxes in Southern Manchuria and that part of Eastern Inner Mongolia comprised within the Circuit of Jehol shall not be pledged as security for a foreign loan, with the exception of the Customs and Salt Tax.

2. The Chinese Government declares that if hereafter it becomes necessary to build railways in Southern Manchuria and that part of Eastern Inner Mongolia comprised within the Circuit of Jehol, China will herself provide funds for building the same; if foreign captial is required, except when not inconsistant with agreements concluded with third countries, China will negotiate with Japanese capitalists first.

3. The Chinese Government agrees, in the interest of trade and residence of foreigners, to

open

open by herself as soon as possible certain suitable places in Southern Manchuria and that part of Eastern Inner Mongolia comprised within the Circuit of Jehol as commercial ports, the regulations (to govern same) to be drawn up in accordance with the method followed in the commercial ports already opened by China herself in other places in China.

(This Draft Agreement, unlike the Draft of the Revised Demands, did not contain a 4th paragraph)

GROUP III

The relations between Japan and the Hanyehping Company being very intimate, if the said Company comes to an agreement with the Japanese capitalists for cooperation, the Chinese Government shall forthwith give its consent thereto. The Chinese Government further declares that China will not convert the Company into a state enterprise, nor confiscate it, nor cause it to borrow and use foreign capital other than Japanese.

(Same as Group III of Revised Demands, except for the change underlined, and for the omission of the clause "without the consent of the Japanese capitalists".)

(GROUP IV not included, since it has been agreed to)

GROUP V

AN EXCHANGE OF NOTES REGARDING FUKIEN

FROM THE JAPANESE GOVERNMENT TO THE CHINESE GOVERNMENT

It has been reported that the Chinese Government has agreed to the construction by foreign powers of dockyards

dockyards, a coaling station for military use, and other installations for military purposes along the coast of Fukien Province. It has been further reported that the Chinese Government has borrowed foreign capital to construct or to install the establishments above mentioned. A reply is requested as to the truth of these matters.

FROM THE CHINESE GOVERNMENT TO THE JAPANESE GOVERNMENT

The receipt of your Note of -------- is acknowledged and contents noted. The Chinese Government can declare positively that it has not agreed to the construction by foreign powers of dockyards, a coaling station for military use, a naval base, or other installations for military purposes along the coast of Fukien Province, and further that it does not propose to borrow foreign capital to construct or install the establishments above mentioned. It is requested that you will take note.

IV

M E M O R A N D U M

Delivered by the Japanese Minister to Minister of Foreign Affairs at 3 o'clock p.m. on May 7, 1915.

The reason why the Imperial Government opened the present negotiations with the Chinese Government is first to endeavour to dispose of the complications arising out of the war between Japan and Germany, and secondly to attempt to solve those various questions which are detrimental to the intimate relations of China and Japan with a view to solidifying the foundation of cordial friendship subsisting between the two countries to the end that the peace of the Far East may be effectually and permanently preserved. With this object in view, definite proposals were presented to the Chinese Government in January of this year, and up to today as many as twenty-five conferences were held with the Chinese Government in perfect sincerity and frankness.

In the course of the negotiation the Imperial Government have consistently explained the aims and objects of the proposals in a conciliatory spirit, while on the other hand the proposals of the Chinese Government, whether important or unimportant, have been attended to without any reserve.

It may be stated with confidence that no effort has been spared to arrive at a satisfactory and amicable settlement of those questions.

The discussion of the entire corpus of the proposals was practically at an end at the twenty-fourth conference; that is, on the 17th of last month. The Imperial Government taking a broad view of the negotiation and in consideration of the points raised by the Chinese Government

modified

modified the original proposals with considerable concessions and presented to the Chinese Government on the 26th of the same month the revised proposals for agreement, and at the same time it was offered that, on the acceptance of the revised proposals the Imperial Government would, at a suitable opportunity, restore, with fair and proper conditions, to the Chinese Government the Kiao Chow territory, in the acquisition of which the Imperial Government had made a great sacrifice.

On the 1st of May, the Chinese Government delivered the reply to the revised proposals of the Japanese Government which is contrary to the expectations of the Imperial Government. The Chinese Government not only did not give a careful consideration to the revised proposals, but even with regard to the offer of the Japanese Government to restore Kiaochow to the Chinese Government, the latter did not manifest the least appreciation of Japan's goodwill and difficulties.

From the commercial and military points of view Kiaochow is an important place, in the acquisition of which the Japanese Empire sacrificed much blood and money, and, after the acquisition the Empire incurs no obligation to restore it to China. But with the object of increasing the future friendly relations of the two countries, she went to the extent of proposing its restoration, yet to her great regret the Chinese Government did not take into consideration the good intention of Japan and manifest appreciation of her difficulties. Furthermore, the Chinese Government not only ignored the friendly feelings of the Imperial Government in offering the restoration of

Kiaochow

Kiaochow Bay, but also in replying to the revised proposals they even demanded its unconditional restoration; and again China demanded that Japan should bear the responsibility of paying indemnity for all the unavoidable losses and damages resulting from Japan's military operations at Kiaochow; and still further in connection with the territory of Kiaochow China advanced other demands and declared that she has the right of participation at the future peace conference to be held between Japan and Germany. Although China is fully aware that the unconditional restoration of Kiaochow and Japan's responsibility of indemnification for the unavoidable losses and damages can never be tolerated by Japan yet she purposely advanced these demands and declared that this reply was final and decisive.

Since Japan could not tolerate such demands the settlement of the other questions however compromising it may be, would not be to her interest. The consequence is that the present reply of the Chinese Government is, on the whole, vague and meaningless.

Furthermore, in the reply of the Chinese Government to the other proposals in the revised list of the Imperial Government, such as South Manchuria and Eastern Inner Mongolia, where Japan particularly has geographical, political, commercial, industrial and strategic relations, as recognized by all the nations, and made more remarkable in consequence of the two wars in which Japan was engaged, the Chinese Government overlooks these facts and does not respect Japan's position in that place; the Chinese Government even freely altered those articles which the Imperial Government in a compromising spirit, have formulated in accordance with the statement of the Chinese Representative,

thereby

thereby making the statements of the Representatives an empty talk; and on seeing them conceding with the one hand and withholding wi th the other, it is very difficult to attribute faithfulness and sincerity to the Chinese authorities.

As regards the articles relating to the employment of advisers, the establishment of schools and hospitals, the supply of arms and ammunition and the establishment of arsenals and railway concessions in Sotth China in the revised proposals, they were either proposed with the proviso that consent of the Power concerned must be obtained, or they are merely to be recorded in the minutes in accordance with the statements of the Chinese delegates, and thus they are not in the least in conflict wither with Chinese sovereignty or her treaties with the Foreign Powers, yet the Chinese Government in their reply to the proposals, alleging that these proposals are incompatible wi th their sovereign rights and treaties with Foreign Powers, defeat the expectations of the XXXX Imperial Government. However, in spite of such attitude of the Chinese Government, the Imperial Government though regretting to see that there is no room for further negotiation, yet warmly attached to the preservation of the peace of the Far East, is still hoping for a satisfactory settlement in order to avoid the disturbance of the relations.

So in spite of the circumstances which admit no patience, they will reconsider the feelings of the Government of their neighboring country, and, with the exception of the article relating to Fukien which is to be the subject of an exchange of notes as has already been agreed upon by the Representatives of both nations, will undertake

to detach

to detach the Group V from the present negotiation and discuss it separately in the future. Therefore, the Chinese Government should appreciate the friendly feelings of the Imperial Government by immediately accepting without any alteration all the articles of Group I, II, III, and IV and the exchange of notes in connection with Fukien Province in Group V as contained in the revised proposals presented on the 26th of April.

The Imperial Government hereby again offer their advice and hopes that the Chinese Government, upon this advice, will give a satisfactory reply up to 6 o'clock p.m. on the 9th day of May. It is hereby declared that if no satisfactory reply is received before or at the designated time, the Imperial Government will take steps she may deem necessary.

V

EXPLANATORY NOTE,

accompanying Memorandum delivered to the Minister of Foreign Affairs by the Japanese Minister the seventh day of May, 1915.

1. With the exception of the question of Fukien to be arranged by an exchange of notes, the five articles postponed for later negotiation refer to (a) the employment of advisers, (b) the establishment of schools and hospitals, (c) the railway concessions in South China, (d) the supply of arms and ammunixxtion and the establishment of arsenals and (e) the propagation of Buddhism.

2. The acceptance by the Chinese Government of the article relating to Fukien may be either in the form as proposed by the Japanese Minister on the 26th of April or in that contained in the reply of the Chinese Government of May 1st. Although the Ultimatum calls for the immediate acceptance by China of the revised proposals presented on April 27th, without alteration, but it should be noted that it merely state the principle and does not apply to this article and articles 4 and 5 of this note.

3. If the Chinese Government accepts all the articles as demanded in the Ultimatum the offer of the Japanese Government to restore Kiaochow to China made on the 26th of April, will still hold good.

4. Article 2 of Group II relating to the lease or purchase of land, the terms "lease" and "purchase" may be replaced by the terms "temporary lease" and"perpetual lease" or "lease on consultation", which means a long-term lease with is unconditional renewal;

Article 4 of Group II relating to the approval of

laws

laws and ordinances and local taxes by the Japanese Consul may form the subject of a secret agreement.

5. The phrase "to consult with the Japanese Government" in connection with questions of pledging the local taxes for raising loans and the loans for the construction of railways, in Eastern Inner Mongolia, which is similar to the agreement in Manchuria relating to the matters of the same kind, may be replaced by the phrase "to consult with the Japanese capitalists."

The article relating to the opening of trade marts in Eastern Inner Mongolia in respect to location and regulations, may, following the precedent set in Shantung, be the subject of an exchange of notes.

6. From the phrase "those interested in the Company" in Group III of the revised list of demands, the words "those interested in" may be deleted.

7. The Japanese version of the Formal Agreement and its annexes shall be the official text of both the Chinese and Japanese shall be the official texts.

VI

The reply of the Chinese Government to the Ultimatum of the Japanese Government, delivered to the Japanese Minister by the Minister of Foreign Affairs on the 8th of May, 1915.

On the 7th day of this month, at three o'clock p.m., the Chinese Government received an Ultimatum from the Japanese Government together with an Explanatory Note of seven articles. The Ultimatum concludes with the hope that the Chinese Government up to 6 o'clock p.m. on the 9th of may, will give satisfactory reply, and it is hereby declared that if no satisfactory reply is received before or at the designated time, the Japanese Government will take steps she may deem necessary.

The Chinese Government with a view to preserving the peace of the Far East, hereby accepts, with the exception of those five articles of Group V, postponed for later negotiation, all the articles of Group I, II, III, and IV and the exchange of notes in connection with Fukien Province in Group V as contained in the revised proposals presented on the 26th of April and in accordance with the Explanatory Note of seven articles accompanying the Ultimatum of the Japanese Government, with the hope that thereby all the outstanding questions are settled, so that the cordial relationship between the two countries may be further consolidated. The Japanese Minister is hereby requested to appoint a day to call at the Ministry of Foreign Affairs to make the literary improvement of the text and sign the Agreement as soon as possible.

CHINA AND JAPAN.

Official Chinese Statement.

OFFICIAL STATEMENT BY THE CHINESE GOVERNMENT RESPECTING THE SINO-JAPANESE NEGOTIATIONS NOW BROUGHT TO A CONCLUSION BY CHINA'S COMPLIANCE WITH THE TERMS OF JAPAN'S ULTIMATUM DELIVERED ON MAY 7, 1915.

THE ULTIMATUM.

At three o'clock on the afternoon of May 7, 1915, His Excellency the Japanese Minister in Peking delivered to the Chinese Government in person an Ultimatum from the Imperial Japanese Government, with an accompanying Note of seven articles. The concluding sentences of the Ultimatum read thus:

"The Imperial Government hereby again offer their advice and hope that the Chinese Government, upon this advice, will give a satisfactory reply by six o'clock p.m. of the ninth day of May. It is hereby declared that if no satisfactory reply is received before or at the specified time the Imperial Government will take such steps as they may deem necessary."

The Chinese Government—having received and accepted the Ultimatum—feel constrained to make a frank and plain statement of the facts connected with the negotiations which were abruptly terminated by this drastic action on the part of Japan.

STATEMENT FOR CHINA.

The Chinese Government have constantly aimed, as they still aim, at consolidating the friendship existing between China and Japan, and, in this period of travail in other parts of the world, have been particularly solicitous of preserving peace in the Far East. Unexpectedly on January 18, 1915, His Excellency the Japanese Minister in Peking, in pursuance of instructions from his Government, adopted the unusual procedure of presenting to His Excellency the President of the Republic of China a list (hereto appended) of twenty-one momentous demands, arranged in five Groups. The first four Groups were each introduced by a preamble, but there was no preamble or explanation to the Fifth Group. In respect of the character of the demands in this Group, however, no difference was indicated in the document between them and those embodied in the preceding Groups.

Although there was no cause for such a *demarche*, the Chinese Government, in deference to the wishes of the Imperial Japanese Government, at once agreed to open negotiations on those articles which it was possible for China to consider, notwithstanding that it was palpable that the whole of the demands were intended to extend the rights and interests of Japan without according a *quid pro quo* of any kind to China.

NEGOTIATIONS AND CONFERENCES.

China approached the pending conferences in a spirit of utmost friendliness and with a determination to deal with all questions frankly and sincerely. Before negotiations were actually commenced the Japanese Minister raised many questions with regard to the number of delegates proposed to represent China, the number of conferences to be held in each week, and the method of discussion. The Chinese Government, though their views differed from those of the Japanese Minister, yielded in all these respects to his contentions in the hope of avoiding any delay in the negotiations. The objections of the Japanese Minister to the customary recording and signing of the minutes of each conference, which the Chinese Government suggested as a necessary and advisable precaution, as well as one calculated to facilitate future reference, were also accepted. Nor did the Chinese Government retaliate in any way when in the course of the negotiations the Japanese Minister twice suspended the conferences, obviously with the object of compelling compliance with his views on certain points at the time under discussion. Even when delay was threatened owing to the unfortunate injury sustained by the Japanese Minister as a result of a fall from his horse, the Chinese delegates, in order to avert interruption, proposed that the conferences should be continued at the Japanese Legation, which proposal was accepted. Later, when on March 22, the Japanese

Government despatched large bodies of troops to South Manchuria and Shantung for the ostensible purpose of relieving the garrisons whose term of service had not then expired—the Japanese Minister stated at the conference, in reply to a direct question as to when the retiring troops would be withdrawn, that this would not be done until the negotiations could be brought to a satisfactory conclusion. Although this minatory step caused much excitement, indignation and alarm on the part of the Chinese people, and made it difficult for the Chinese Government to continue the conferences, they successfully exerted efforts to avert a rupture and thus enabled the negotiations smoothly to proceed. All this demonstrates that the Chinese Government were dominated by a sincere desire to expedite the progress of the conferences; and that the Japanese Government recognized this important fact was made clear on March 11 when the Japanese Minister conveyed to the Chinese Government an expression of his Government's appreciation of China's frankness and sincerity in the conduct of the negotiations.

From February 2, when the negotiations were commenced, to April 17, twenty-four conferences were held in all. Throughout this whole period the Chinese Government steadfastly strove to arrive at an amicable settlement and made every concession possible.

Of the twenty-one demands originally submitted by Japan, China agreed to fifteen, some in principle and some textually, six being initialled by both parties.

In the Matter of the Demands to Which China Agreed:

KIAOCHOW AND THE SHANTUNG GROUP.

At the first conference, held on February 2, China agreed in principle to the first article of the Shantung Group of demands which provides that China should give her assent to the transfer of Germany's rights in Shantung to Japan. The Chinese Government maintained at first that the subject of this demand related to the *post bellum* settlement, and, therefore, should be left over for discussion by all the parties interested at the Peace Conference. Failing to persuade the Japanese Minister to accept this view, the Chinese Government agreed to this demand in principle, and made certain supplementary proposals.

One of the supplementary proposals was in these terms:—

"The Japanese Government declares that when the Chinese Government give their assent to the transfer of the rights above referred to, Japan will restore the Leased Territory of Kiaochow to China; and further recognizes the right of the Chinese Government to participate in the negotiations referred to above between Japan and Germany".

The provision for a declaration to restore Kiaochow was clearly not a demand on Japan but only a reiteration of Japan's voluntary statement in her Ultimatum to Germany on August 15, 1914, (a copy of which was officially transmitted to the Chinese Government for perusal on August 15), and repeated in public statements by the Japanese Premier.

Appreciating the earnest desire of Japan to maintain the peace of the Far East and to cement her friendship with China, as evidenced by this friendly offer, the Chinese Government left the entire question of the conditions of restoration to be determined by Japan, and refrained from making any reference thereto in the supplementary proposal. The suggestion relating to participation in the Conference between Japan and Germany was made in view of the fact that Shantung, the object of future negotiation between Japan and Germany, is a Chinese Province, and therefore China is the Power most concerned in the future of that territory.

Another supplementary proposal suggesting the assumption by Japan of responsibility for indemnification of the losses arising out of the military operations by Japan in and about the leased territory of Kiaochow was necessitated by the fact that China was neutral *vis-a-vis* the war between Japan and Germany. Had China not inserted such a provision, her position in relation to this conflict might have been liable to misconstruction—the localities in which the operations took place being a portion of China's territory—and might also have exposed herself to a claim for indemnification of losses for which she was in no way responsible.

In a further supplementary proposal the Chinese Government suggested that, prior to the restoration of the Kiaochow territory to China, the Maritime Customs, the telegraphs and post offices should be continued to be administered as heretofore; that the military railway, the telegraph lines, etc., which were installed by Japan to facilitate her military operations, should be removed forthwith; that the Japanese troops now stationed outside of the leased territory should be first withdrawn, and those within the territory should be recalled at the time when Kiaochow is returned to China. Shantung being a Chinese Province, it was natural for China to be anxious concerning the restoration of the *status quo ante bellum*. Although the Chinese Government were confident that the Japanese Government would effect such restoration in pursuance of their official declaration, it was necessary for China, being neutral throughout the war, to place these matters on record.

At the third conference, held on February 22, China agreed to the second demand in the Shantung Group not to cede or lease to any Power any territory or island or land on the sea border of Shantung.

At the fifth conference, held on February 28, China agreed to give Japan the preference, provided Germany abandoned the privilege, to supply the capital for the construction of a railway from Chefoo or Lungkow to connect with the Kiaochow-Tsinanfu railway, in the event of China deciding to build that railway with foreign capital.

At the sixth conference, held on March 3, China, in the interests of foreign trade, agreed to open certain important cities in Shantung as trade marts under regulations approved by the Japanese Government, although this was a demand on the part of Japan for privileges additional to any that hitherto had been enjoyed by Germany and was not an outcome

of the hostilities between Japan and Germany, nor, in the opinion of the Chinese Government, was its acceptance essential to the preservation of peace in the Far East.

EXTENSION OF RAILWAY LEASES.

At the eighth conference, held on March 9, China agreed (1) to the extension of the term of the lease of Dairen and (2) Port Arthur, and (3) of the South Manchuria and (4) Antung-Mukden railways, all to 99 years.

Owing to the bitter experiences which China sustained in the past in connexion with the leased portions of her territory, it has become her settled policy not to grant further leases nor to extend the term of those now in existence. Therefore, it was a significant indication of China's desire to meet Japan's wishes when she agreed to this exceptional departure from her settled policy.

HANYEHPING MINES.

At the same conference the Chinese Government also agreed to refrain from raising objections to the principle of co-operation in the Hanyehping Company, if the latter should arrive at an agreement in this respect with the Japanese capitalists concerned. With reference to this question it was pointed out to the Japanese Minister that, in the Provisional Constitution of the Republic of China, Chinese subjects are guaranteed the right of protection of their property and freedom to engage in any lawful occupation. The Government were precluded, therefore, from interfering with the private business of the people, and could not find any other solution than the one thus agreed to.

NON-ALIENATION OF CHINA'S COASTS.

As regards the single article of the Fourth Group, and the preamble thereto, the Chinese Government held that they were inconsistent with Chinese sovereignty. However, China, at this conference, expressed her readiness to meet the wishes of Japan so far as it was possible without infringing her sovereignty, and agreed to make a voluntary pronouncement that she would not alienate any portion of her coast line.

SOUTH MANCHURIAN RAILWAYS.

In connexion with the South Manchuria Railway it is worthy of note that the provision regarding the repurchase period in the agreement (36 years from 1902) was not mentioned in Japan's original proposal. Subsequently the Japanese Government, on the ground that the meaning of this provision was not clear, requested China to agree to its cancellation. To this request the Chinese Government acceded, though well aware that the proposed change could only benefit Japan. China thus relinquished the right to repurchase the railway at the expiration of another 23 years.

In connexion with the Antung-Mukden Railway the article, which was originally initialled at the conference, provided for the reversion of the railway to China at the end of 99 years without payment, but, at the subsequent meeting, the Japanese Minister requested that the reference to the reversion without payment be deleted from the initialled article. In acceding to the Japanese Minister's request, China again showed her sincere desire to expedite matters and to meet Japan's wishes even at the sacrifice of a point in her favour, to which Japan had already agreed.

At the eleventh conference, held on March 16, China agreed to give Japan preference in regard to loans for railway construction in South Manchuria.

At the thirteenth conference, held on March 23, China agreed (1) to the amendment of the Kirin-Changchun Railway loan agreement; (2) to give preference to Japan if the revenue of South Manchuria were offered as security for loans; (3) to give preference to Japanese in the event of the employment of advisers for South Manchuria; (4) to grant to Japanese the right of mining in nine specified areas in South Manchuria.

SOUTH MANCHURIAN MINES.

In its original form the demand with reference to mining in South Manchuria tended to create a monopoly for Japanese subjects, and, therefore, was entirely inconsistent with the principle of equal opportunity. The Chinese Government explained that they could not, in view of the treaty rights of other Powers, agree to this monopoly, but they readily gave their acceptance when Japan consented to the modification of the demand so as to mitigate its monopolistic character.

In connexion with the Kirin-Changchun Railway the amendment agreed to involve a fundamental revision of the original agreement on the basis of the existing railway loan contracts concluded by China with other foreign capitalists, as well as an engagement on the part of the Chinese Government to extend to this railway any better terms which may be hereafter accorded to other railway concessionaires in China. The capital of this railway was originally fifty per cent. Chinese and fifty per cent Japanese. The effect of this undertaking is to transfer the capital originally held by the Chinese, as well as the full control and administration of the railway, to the Japanese.

FUKIEN PROVINCE.

At the twenty-first conference, held on April 10, China agreed, in regard to the demands concerning Fukien Province, to give Japan an assurance in accordance with Japan's wishes at a future time.

SETTLEMENT RIGHTS AND LAND OWNERSHIP.

As regards demands 2 and 3 in the Manchurian Group, relating to the ownership of land for trade, manufacture, and agricultural enterprises, as well as for the right of settlement in the interior of South Manchuria, the Chinese Government, after discussion at several conferences, agreed to them in principle, but desired to introduce certain amendments concerning the control and protection of the Japanese subjects who might avail themselves of these rights. The course of the negotiations in connexion with these amendments will be referred to subsequently.

In the Matter of those Demands to Which China Could Not Agree:

Of the twenty-one original demands there were six, as previously mentioned, to which China could not agree on the ground that they were not proper subjects for international negotiation, conflicting as they did with the sovereign rights of China, the treaty rights of other Powers, and the principle of equal opportunity.

HANYEHPING MINING AREA.

Thus, for example, the second article of the Hanyehping question in the original Third Group in particular seriously affected the principle of equal commercial and industrial opportunity.

CHINA'S POLICE ADMINISTRATION.

The proposal that there should be joint administration by China and Japan of the police in China was clearly an interference with the Republic's domestic affairs, and consequently an infringement of her sovereignty. For that reason the Chinese Government could not take the demand into consideration. But when it was explained by the Japanese Minister that this referred only to South Manchuria, and he suggested that his Government would be satisfied if China agreed to engage Japanese as police advisers for that territory, the Chinese Government accepted the suggestion.

SCHOOLS, HOSPITALS AND BUDDHIST PROPAGANDA.

The two articles relating to the acquisition of land for schools, hospitals, and temples, as well as to the right of missionary propaganda, would, in the opinion of the Chinese Government, have presented grave obstacles to the consolidation of the friendly feeling subsisting between the two people. The religions of the two countries are identical and therefore the need for a missionary propaganda to be carried on in China by Japanese does not exist. The natural rivalry between Chinese and Japanese followers of the same faith would tend to create incessant disputes and friction. Whereas Western missionaries live apart from the Chinese communities among which they labour, Japanese monks would live with the Chinese, and the similarity of their physical characteristics, their religious garb, and their habits of life would render it impossible to distinguish them for purposes of affording the protection which the Japanese Government would require should be extended to them under the system of extra-territoriality now obtaining in China. Moreover, a general apprehension exists among the Chinese people that these peculiar conditions favouring conspiracies for political purposes might be taken advantage of by some unscrupulous Chinese and Japanese monks.

THE YANGTZE VALLEY RAILWAYS.

The demand for railway concessions in the Yangtsze Valley conflicted with the Shanghai-Hangchow-Ningpo Railway Agreement of March 6, 1908, the Nanking-Changsha Railway Agreement of March 31, 1914, and the engagement of August 24, 1914, giving preference to British firms for the projected line from Nanchang to Chaochowfu. For this reason the Chinese Government found themselves unable to consider the demand, though the Japanese Minister, while informed of China's engagements with Great Britain, repeatedly pressed for its acceptance.

APPOINTMENT OF ADVISERS.

In respect to the demand for the appointment of influential Japanese to be advisers and instructors in political, financial and military affairs, the policy of the Chinese Government in regard to the appointment of advisers has been similar to that which has presumably guided the Japanese Government in like circumstances, namely the selection of the best qualified men irrespective of their nationality. As an indication of their desire to avail themselves of the services of eminent Japanese, one of the earliest appointments made to an advisership was that of Dr. Ariga, while later on Dr. Hirai and Mr. Takii were appointed to the Ministry of Communications.

It was considered that the demand that Japanese should be appointed in the three most important administrative departments, as well as the demand for the joint control of China's police, and the demand for an engagement to purchase a fixed amount of arms and ammunition from Japan or to establish joint arsenals in China, so clearly involved the sovereignty of the Republic that the Chinese Government were unable even to consider them.

For these reasons the Chinese Government, at the very outset of the negotiations, declared that they were unable to negotiate on the demands; but, in deference to the wishes of the Japanese Minister, the Chinese delegates consented to give the reasons for declining to enter into a discussion of them.

In the Matter of the Questions of Dispute Involved in Some of the Foregoing Demands:

The demand by Japan for the right of her subjects in South Manchuria to lease or own land, and to reside and travel, and to engage in business or manufacture of any kind whatever was deemed by the Chinese Government to obtain for Japanese subjects in this region a privileged status beyond the terms of the treaties existing between the two nations, and to give them a freedom of action which would be a restriction of China's sovereignty and a serious infringement of her administrative rights. Should Japanese subjects be granted the right of owning land, it would mean that all the landed property in the region might fall into their hands, thereby endangering China's territorial integrity. Moreover, residence in the interior was incompatible with the existence of extra-territoriality, the relinquishment of which is necessary to the actual enjoyment of the privilege of inland residence, as evidenced in the practice of other nations.

EXTRATERRITORIALITY IN SOUTH MANCHURIA.

Japan's unconditional demand for the privilege of inland residence accompanied with a desire to extend extraterritoriality into the interior of China and to enable Japanese subjects to monopolise all the interests in South Manchuria was also palpably irreconcilable with the principle of equal opportunity. For this reason the Chinese Government were, in the first instant, unable to accept this demand as a basis of negotiation. Their profound regard for the friendly relations of the two countries, however, persuaded them

to exert their utmost efforts, in spite of all the inherent difficulties, to seek a solution of a question which was practically impossible to solve. Knowing that the proposal made by Japan was incompatible with treaties, they nevertheless sought to meet her wishes within the limits of treaties. Accordingly they submitted a counter-proposal to open more places in South Manchuria to international trade and to establish Sino-Japanese joint reclamation companies.

This suggestion was made in the belief that the places to which Japanese subjects would desire to resort for purposes of trade, could not be other than important localities; if all these localities were opened to commerce, then they could reside, trade, and lease land there for joint reclamation. Thus Japanese subjects might enjoy the essence of the privilege of inland residence and would still be able to reconcile their position with China's treaties and the principle of equal opportunity.

After the Japanese Government declined to accept this suggestion, China withdrew it and replaced it with an amendment to the original articles. It was proposed in this amendment to grant to Japanese subjects the extra-treaty privilege of inland residence with the proviso that Japanese subjects in places outside of trade marts should observe Chinese police regulations and pay taxes in the same manner as Chinese; and that civil and criminal cases involving such Japanese subjects should be adjudicated by Chinese Authorities, the Japanese Consul attending merely to watch the proceedings. This suggestion was not an innovation: it was based upon the *modus operandi* now in force as regards the Korean settlers in inland districts in Chientao. But the Japanese Government again declined to accept it.

The Chinese Government thereupon made a third proposal along the line of what constitutes the present practice in Turkey, making a distinction, however, in favour of Japanese subjects in the exercise of jurisdiction over civil and criminal cases. This was once more objected to by the Japanese Government.

Then the Chinese Government proposed to concede still another step—the fourth endeavour to meet Japan's wishes. They proposed to agree to the full text of Articles 2 and 3 relative to the question of inland residence, except that "the right of owning land" was changed into "the right of leasing land" and to the phrase "cultivating land" was added this clause; "the regulations for which shall be determined separately;" and, further, to add a supplementary article which embodied a *modus operandi* which the Chinese Government had constrained themselves to make out of a desire to come to a settlement over this question. The view advanced in this supplementary article was based upon the Japanese Minister's declaration made on March 6, 1915, that a separate article embodying some compromise might be added to the original articles 2 and 3 for the purpose of avoiding any conflict with China's sovereignty or the system established by treaties.

These suggestions made by the Chinese Government were not accepted by Japan.

Eastern Inner Mongolia.

As regards Eastern Inner Mongolia not only have no treaties been entered into with Japan concerning this region, but also the people are so unaccustomed to foreign trade that the Chinese Government invariably feel much anxiety about the safety of foreigners who elect to travel there. The Chinese Government, therefore, considered that it would not be in the interest of foreigners to open the whole territory to them for residence and commerce, and on these grounds based their original refusal to place Eastern Inner Mongolia on the same footing as South Manchuria. Still, their desire to meet the wishes of the Japanese Government eventually prompted them to offer to open a number of places in the region to foreign trade.

In the Matter of Japan's Revised Demands:

The foregoing is an outline of the negotiations up to April 17. It was hoped by the Chinese Government that the Japanese Government in view of the great concessions made by China at the conferences held up to this time, would see a way of effecting an amicable settlement by modifying their position on certain points. In regard to these it had, by this time, become manifest that China would encounter almost insuperable difficulties in making further concessions.

The Japanese Government, however, suspended the negotiations until April 26 when they surprised the Chinese Government by presenting a new list of twenty-four demands (which is hereto appended), and requested the Chinese Government to accord their acceptance without delay, adding that this was their final proposal. At the same time the Japanese Minister stated that the Japanese Government would restore the leased territory of Kiaochow to China at an opportune time in the future and under proper conditions, if the Chinese Government would agree to the new list of twenty-four demands without modification.

In this new list although the term "special position" in the preamble of the Manchurian Group was changed to "economic relations," and although the character of the articles in the original Fifth Group was altered from Demands to a recital of alleged statements by the Chinese Foreign Minister, four new demands were introduced concerning Eastern Inner Mongolia. In deference to the wishes of the Japanese Government, the Chinese Government gave the revised list the most careful consideration; and being sincerely desirous of an early settlement offered new concessions in their reply presented to the Japanese Minister on May 1. (Annexed.)

China's Reply to Japan's Revised Demands.

In this reply the Chinese Government reinserted the proposal in reference to the retrocession of Kiaochow, which they advanced at the first conference on February 2, and which was postponed at the request of the Japanese Minister. This, therefore, was in no sense a new proposal.

The Chinese Government also proposed to agree to three of the four articles relating to Eastern Inner Mongolia. There was some

difficulty in determining a definition of the boundaries of Eastern Inner Mongolia—this being a new expression in Chinese geographical terminology—but the Chinese Government, acting upon a statement made at a previous conference by the Japanese Minister that the Japanese Government meant the region under Chinese administrative jurisdiction, and taking note, in the list presented by the Japanese Minister, of the names of places in Eastern Inner Mongolia to be opened to trade, inferred that the so-called Eastern Inner Mongolia is that part of Inner Mongolia which is under the jurisdiction of South Manchuria and the Jehol circuit; and refrained from placing any limitations upon the definition of this term.

The Chinese Government also withdrew their supplementary proposal reserving the right of making regulations for agricultural enterprises to be undertaken by Japanese settlers in South Manchuria.

In respect of the trial of cases involving land disputes between Japanese only, or between Japanese and Chinese, the Chinese Government accorded to the Japanese Consul the right of deputing an officer to watch the proceedings.

The Chinese Government also agreed to accept the suggestion of the Japanese Government to modify the term "police law and ordinances" into "police regulations," thereby limiting the extent of control which the Chinese would have over Japanese subjects.

As regards the Hanyehping demand, the Chinese Government accepted the draft made by the Japanese Government, embodying an engagement by the Chinese Government not to convert the Company into a State-owned concern, nor to confiscate it, nor to force it to borrow foreign capital other than Japanese.

In respect of the Fukien question the Chinese Government also agreed to give an assurance in the amplified form suggested by the Japanese Government that the Chinese Government had not given their consent to any foreign nations to construct a dockyard, or a coaling station, or a naval base, or any other military establishment along the coast of Fukien Province; nor did they contemplate borrowing foreign capital for the foregoing purposes.

Having made these concessions which practically brought the views of China into line with those of Japan, and having explained in a note accompanying the reply the difficulty for China to make further concessions, the Chinese Government hoped that the Japanese Government would accept their reply of May 1, and thus bring the negotiations to an amicable conclusion.

JAPAN DISSATISFIED.

The Japanese Government, however, expressed themselves as being dissatisfied with China's reply, and withdraw the conditional offer to restore Kiaochow to China made on April 26. It was further intimated that if the Chinese Government did not give their full compliance with the list of twenty-four demands, Japan would have recourse to drastic measures.

OVERTURES REJECTED.

Upon receiving this intimation the Chinese Government, inspired by the conciliatory spirit which had been predominant from the very beginning of the negotiations and desirous of avoiding any possible rupture in the relations of the two countries, made a supreme effort to meet the situation, and represented to the Japanese Government that they would reconsider their position and make another attempt to find a solution that would be more satisfactory to Japan, in respect to those articles which China had declared could not be taken up for consideration, but to which Japan attached great importance. Even in the evening of May 6, after the Japanese Minister had notified the Chinese Government that the Ultimatum had arrived in Peking, the Chinese Government in the interests of peace still exerted efforts to save the situation by offering to meet Japan's wishes.

These overtures were again rejected, and thus was exhausted the means at the disposal of the Chinese Government to prevent an impasse.

It is plain that the Chinese Government proceeded to the fullest extent of possible concession in view of the strong national sentiment manifested by the people throughout the whole period of negotiations. All that the Chinese Government strove to maintain was China's plenary sovereignty, the treaty rights of foreign Powers in China and the principle of equal opportunity.

To the profound regret of the Chinese Government however, the tremendous sacrifices which they had shown themselves ready to make, proved unavailing, and an Ultimatum (the text of which is appended) was duly delivered to them by the Japanese Minister at three o'clock on the afternoon of May 7.

ALLEGATIONS AGAINST CHINA.

As to the allegations made in the Ultimatum against China the Chinese Government hope that the foregoing outline of the history of the negotiations constitutes a clear, dispassionate, and complete reply.

In considering the nature of the course they should take with reference to the Ultimatum the Chinese Government was influenced by a desire to preserve the Chinese people, as well as the large number of foreign residents in China, from unnecessary suffering and also to prevent the interests of friendly Powers from being imperilled. For these reasons the Chinese Government were constrained to comply in full with the terms of the Ultimatum (the reply being hereto appended), but in complying the Chinese Government disclaim any desire to associate themselves with any revision, which may thus be effected, of the various conventions and agreements concluded between other Powers in respect of the maintenance of China's territorial independence and integrity, the preservation of the *status quo*, and the principle of equal opportunity for the commerce and industry of all nations in China.

CHINA AND JAPAN.

(Continued from page 7.)

GENUINE PROOF OF CHINA'S FRIENDSHIP.

Ever since the opening of the negotiations China has been doing her best to hasten their progress holding as many as three conferences a week. As regards the articles in the second group, the Chinese Government, being disposed to allow the Japanese Government to develop the economic relations of the two countries in South Manchuria, realizing that the Japanese Government attaches importance to its interests in that region, and wishing to meet the hope of Japan, made a painful effort, without hesitation, to agree to the extension of the 25-year lease of Port Arthur and Dalny, the 36-year period of the South Manchuria railway and the 15-year period of the Antung-Mukden railway, all to 99 years; and to abandon its own cherished hopes to regain control of these places and properties at the expiration of their respective original terms of lease. It cannot but be admitted that this is a most genuine proof of China's friendship for Japan.

As to the right of opening mines in South Manchuria, the Chinese Government has already agreed to permit Japanese to work mines within the mining areas designated by Japan. China has further agreed to give Japan a right of preference in the event of borrowing foreign capital for building railways or of making a loan on the security of the local taxes in South Manchuria. The question of revising the arrangement for the Kirin-Changchun railway has been settled in accordance with the proposal made by Japan. The Chinese Government has further agreed to employ Japanese first in the event of employing foreign advisers on political, military, financial and police matters.

CHINA'S FRANKNESS AND SINCERITY IN FACTS.

Futhermore, the provision about the repurchase period in the South Manchurian railway was not mentioned in Japan's original proposal. Subsequently, the Japanese Government alleging that its meaning was not clear, asked China to cancel the provision altogether. Again, Japan at first demanded the right of Japanese to carry on farming in South Manchuria, but subsequently she considered the word "farming" was not broad enough and asked to replace it with the phrase "agricultural enterprises". To these requests the Chinese Government, though well aware that the proposed changes could only benefit Japan, still acceded without delay. This, too, is a proof of China's frankness and sincerity towards Japan.

As regards matters relating to Shantung the Chinese Covernment has agreed to a majority of the demands.

RESIDENCE IN SOUTH MANCHURIA.

The question of inland residence in South Manchuria is, in the opinion of the Chinese Government, incompatible with the treaties China had entered into with Japan and other Powers, still the Chinese Government did its best to consider how it was possible to avoid that incompatibility. At first, China suggested that the Chinese Authorities should have full rights of jurisdiction over Japanese settlers. Japan declined to agree to it. Thereupon China reconsidered the question and revised her counter-proposal five or six times, each time making some definite concession, and went so far as to agree that all civil and criminal cases between Chinese and Japanese should be arranged according to existing treaties. Only, cases relating to land or lease contracts were reserved to be adjudicated by Chinese Courts, as a mark of China's sovereignty over the region. This is another proof of China's readiness to concede as much as possible.

PECULIAR CONDITIONS IN EASTERN INNER MONGLIA.

Eastern Inner Mongolia is not an enlightened region as yet and the conditions existing there are entirely different from those prevailing in South Manchuria. The two places therefore, cannot be considered in the same light. Accordingly, China agreed to open commercial marts first, in the interests of foreign trade.

SAFEGUARD FOR JAPANESE INTERESTS IN HANYEHPING.

The Hanyehping Company mentioned in the third group is entirely a private company, and the Chinese Government is precluded from interfering with it and negotiating with another government to make any disposal of the same as the Government likes, but having regard for the interests of the Japanese capitalists, the Chinese Government agreed that whenever in future, the said company and the Japanese capitalists should arrive at a satisfactory arrangement for co-operation, China will give her assent thereto. Thus the interests of the Japanese capitalists are amply safeguarded.

GROUP IV.

Although the demand in the fourth group asking for a declaration not to alienate China's coast is an infringement of her sovereign rights, yet the Chinese Goverment offered to make a voluntary pronouncement so far as it comports with China's sovereign rights. Thus, it is seen that the Chinese Government, in deference to the wishes of Japan, gave a most serious consideration even to these demands which gravely affect the sovereignty and territorial rights of China as well as the principle of equal opportunity and the treaties with foreign Powers. All this was a painful effort on the part of the Chinese Government to meet the situation—a fact of which the Japanese Government must be aware.

INCOMPATIBILITY OF GROUP V.

As regard the demands in the fifth group, they all infringe China's sovereignty, the treaty rights of other Powers or the principle of equal opportunity. Although Japan did not indicate any difference between this group and the preceding four in the list which she presented to China in respect of their character, the Chinese Government, in view of their palpably objectionable features, persuaded itself that these could not have been intended by Japan as anything other than Japan's mere advice to China. Accordingly China has declared from the very beginning that while she entertains the most profound regard for Japan's wishes, she was unable to

admit that any of these matters could be made the subject of an understanding with Japan. Much as she desired to pay regard to Japan's wishes, China cannot but respect her own sovereign rights and the existing treaties with other Powers. In order to be rid of the seed for future misunderstanding and to strengthen the basis of friendship, China was constrained to iterate the reasons for refusing to negotiate on any of the articles in the fifth group, yet in view of Japan's wishes China has expressed her readiness to state that no foreign money was borrowed to construct harbour work in Fukien Province. Thus it is clear that China went so far as to seek a solution for Japan of a question that really did not admit of negotiation. Was there, then, evasion on the part of China?

REPLY TO THE REVISED DEMANDS.

Now, since the Japanese Government has presented a revised list of demands and declared at the same time, that it will restore the leased territory of Kiaochow, the Chinese Government reconsiders the whole question and herewith submits a new reply to the friendly Japanese Government.

In this reply the unsettled articles in the first group are stated again for discussion.

FURTHER CONCESSIONS.

As regards the second group, those articles which have already been initialled are omitted. In connection with the question of inland residence the police regulation clause has been revised in a more restrictive sense. As for the trial of cases relating to land and lease contracts the Chinese Government now permits the Japanese Consul to send an officer to attend the proceedings.

Of the four demands in connection with that part of Eastern Inner Mongolia which is within the jurisdiction of South Manchuria and the Jehol intendency, China agrees to three.

China, also, agrees to the article relating to the Hanyehping Company as revised by Japan.

It is hoped that the Japanese Government will appreciate the conciliatory spirit of the Chinese Government in making this final concession and forthwith give her assent thereto.

JAPANESE FIRST TO PUBLISH DEMANDS

There is one more point. At the beginning of the present negotiations it was mutually agreed to observe secrecy but unfortunately a few days after the presentation of the demands by Japan an Osaka newspaper published an "Extra" giving the text of the demands. The foreign and the Chinese press has since been paying considerable attention to this question and frequently publishing pro-Chinese or pro-Japanese comments in order to call forth the World's conjecture—a matter which the Chinese Government deeply regrets.

The Chinese Government has never carried on any newspaper campaign and the Chinese Minister of Foreign Affairs has repeatedly declared it to the Japanese Minister.

In conclusion, the Chinese Government wishes to express its hope that the negotiations now pending between the two countries will soon come to an end and whatever misgivings foreign countries entertain toward the present situation may be quickly dispelled.

JAPAN'S ORIGINAL DEMANDS.

Translation of Documents Handed to the President, Yuan-Shih-Kai, by Mr. Hioki, the Japanese Minister, on January 18th, 1915.

I.

The Japanese Government and the Chinese Government being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighborhood existing between the two nations agree to the following articles:—

Article 1. The Chinese Government engages to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests and concessions, which Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung.

Article 2. The Chinese Government engages that within the Province of Shantung and along its coast no territory or island will be ceded or leased to a third Power under any pretext.

Article 3. The Chinese Government consents to Japan's building a railway from Chefoo or Lunkow to join the Kiaochou-Chinanfu Railway.

Article 4. The Chinese Government engages, in the interest of trade and for the residence of foreigners, to open by herself as soon as possible certain important cities and towns in the Province of Shantung as Commercial Ports. What places shall be opened are to be jointly decided upon in a separate agreement.

II.

The Japanese Government and the Chinese Government, since the Chinese Government has always acknowledged the special position enjoyed by Japan in South Manchuria and Eastern Inner Mongolia, agree to the following articles:—

Article 1. The two Contracting Parties mutually agree that the term of lease of Port Arthur and Dalny and the term of lease of the South Manchurian Railway and the Antung-Mukden Railway shall be extended to the period of 99 years.

Article 2. Japanese subjects in South Manchuria and Eastern Inner Mongolia shall have the right to lease or own land required either for erecting suitable buildings for trade and manufacture or for farming.

Article 3. Japanese subjects shall be free to reside and travel in South Manchuria and Eastern Inner Mongolia and to engage in business and in manufacture of any kind whatsoever.

Article 4. The Chinese Government agrees to grant to Japanese subjects the right of opening the mines in South Manchuria and Eastern Inner Mongolia. As regards what mines are to be opened, they shall be decided upon jointly.

Article 5. The Chinese Government agrees that in respect of the (two) cases mentioned herein below the Japanese Government's consent shall be first obtained before action is taken:—

(*a*). Whenever permission is granted to the subject of a third Power to build a railway or to make a loan with a third Power for the purpose of building a railway in South Manchuria and Eastern Inner Mongolia.

(*b*). Whenever a loan is to be made with a third Power pledging the local taxes of South Manchuria and Eastern Inner Mongolia as security.

Article 6. The Chinese Government agrees that if the Chinese Government employs political, financial or military advisers or instructors in South Manchuria or Eastern Inner Mongolia, the Japanese Government shall first be consulted.

Article 7. The Chinese Government agrees that the control and management of the Kirin-Changchun Railway shall be handed over to the Japanese Government for a term of 99 years dating from the signing of this Agreement.

III.

The Japanese Government and the Chinese Government, seeing that Japanese financiers and the Hanyehping Co., have close relations with each other at present and desiring that the common interests of the two nations shall be advanced, agree to the following articles:—

Article 1. The two Contracting Parties mutually agree that when the opportune moment arrives the Hanyehping Company shall be made a joint concern of the two nations and they further agree that without the previous consent of Japan, China shall not by her own act dispose of the rights and property of whatsoever nature of the said Company nor cause the said Company to dispose freely of the same.

Article 2. The Chinese Government agrees that all mines in the neighborhood of those owned by the Hanyehping Company shall not be permitted, without the consent of the said Company, to be worked by other persons outside of the said Company; and further agrees that if it is desired to carry out any undertaking which, it is apprehended, may directly or indirectly affect the interests of the said Company, the consent of the said Company shall first be obtained.

IV.

The Japanese Government and the Chinese Government with the object of effectively preserving the territorial integrity of China agree to the following special article:—

The Chinese Government engages not to cede or lease to a third Power any harbour or bay or island along the coast of China.

V.

Article 1. The Chinese Central Government shall employ influential Japanese as advisers in political, financial and military affairs.

Article 2. Japanese hospitals, churches and schools in the interior of China shall be granted the right of owning land.

Article 3. Inasmuch as the Japanese Government and the Chinese Government have had many cases of dispute between Japanese and Chinese police to settle cases which caused no little misunderstanding, it is for this reason necessary that the police departments of important places (in China)

shall be jointly administered by Japanese and Chinese or that the police departments of these places shall employ numerous Japanese, so that they may at the same time help to plan for the improvement of the Chinese Police Service.

Article 4. China shall purchase from Japan a fixed amount of munitions of war (say 50% or more) of what is needed by the Chinese Government) or that there shall be established in China a Sino-Japanese jointly worked arsenal. Japanese technical experts are to be employed and Japanese material to be purchased.

Article 5. China agrees to grant to Japan the right of constructing a railway connecting Wuchang with Kiukiang and Nanchang, another line between Nanchang and Hangchow, and another between Nanchang and Chaochou.

Article 6. If China needs foreign capital to work mines, build railways and construct harbour-works (including dock-yards) in the Province of Fukien, Japan shall be first consulted.

Article 7. China agrees that Japanese subjects shall have the right of missionary propaganda in China.

JAPAN'S "REVISED" DEMANDS.

Japan's Revised Demands on China, twenty-four in all, presented April 26, 1915.

The revised list of articles is a Chinese translation of the Japanese text. It is hereby declared that when a final decision is reached, there shall be a revision of the wording of the text.

GROUP I.

The Japanese Government and the Chinese Government, being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighbourhood existing between the two nations, agree to the following articles :—

Article 1. The Chinese Government engages to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government, relating to the disposition of all rights, interests and concessions, which Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung.

Article 2. (Changed into an exchange of notes).

The Chinese Government declares that within the Province of Shantung and along its coast no territory or island will be ceded or leased to any Power under any pretext.

Article 3. The Chinese Government consents that as regards the railway to be built by China herself from Chefoo or Lungkow to connect with the Kiaochow-Tsinanfu railway, if Germany is willing to abandon the privilege of financing the Chefoo-Weihsien line, China will approach Japanese capitalists to negotiate for a loan.

Article 4. The Chinese Government engages, in the interest of trade and for the residence of foreigners, to open by China herself as soon as possible certain suitable places in the Province of Shantung as Commercial Ports.

(Supplementary Exchange of Notes).

The places which ought to be opened are to be chosen, and the regulations are to be drafted, by the Chinese Government, but the Japanese Minister must be consulted before making a decision.

GROUP II.

The Japanese Government and the Chinese Government, with a view to developing their economic relations in South Manchuria and Eastern Inner Mongolia, agree to the following articles :—

Article 1. The two contracting Powers mutually agree that the term of lease of Port Authur and Dalny and the terms of the South Manchuria Railway and the Antung-Mukden Railway, shall be extended to 99 years.

(Supplementary Exchange of Notes)

The term of lease of Port Arthur and Dalny shall expire in the 86th year of the Republic or 1997. The date for restoring the South Manchurian Railway to China shall fall due in the 91st year of the Republic or 2002. Article 12 in the original South Manchurian Railway Agreement that it may be redeemed by China after 36 years after the traffic is opened is hereby cancelled. The term of the Antung-Mukden Railway shall expire in the 96th year of the Republic or 2007.

Article 2. Japanese subjects in South Manchuria may lease or purchase the necessary land for erecting suitable buildings for trade and manufacture or for prosecuting agricultural enterprises.

Article 3. Japanese subjects shall be free to reside and travel in South Manchuria and to engage in business and manufacture of any kind whatsoever.

Article 3a. The Japanese subjects referred to in the preceding two articles, besides being required to register with the local authorities pass-ports which they must procure under the existing regulations, shall also submit to police laws and ordinances and tax regulations, which are approved by the Japanese consul. Civil and criminal cases in which the defendants are Japanese shall be tried and adjudicated by the Japanese consul; those in which the defendants are Chinese shall be tried and adjudicated by Chinese Authorities. In either case an officer can be deputed to the court to attend the proceedings. But mixed civil cases between Chinese and Japanese relating to land shall be tried and adjudicated by delegates of both nations conjointly in accordance with Chinese law and local usage. When the judicial system in the said region is completely reformed, all civil and criminal cases concerning Japanese subjects shall be tried entirely by Chinese law courts.

Article 4. (Changed to an exchange of notes)

The Chinese Government agrees that Japanese subjects shall be permitted forthwith to investigate, select, and then prospect for and open mines at the following places in South Manchuria, apart from those mining areas in which mines are being prospected for or worked; until the Mining Ordinance is definitely settled methods at present in force shall be followed.

Province of	Locality	District	Mineral
Feng-tien			
	Niu Hsin T'ai	Pen-hsi	Coal
	Tien Shih Fu Kou	Pen-hsi	do
	Sha Sung Kang	Hai-lung	do
	T'ieh Ch'ang	T'ung-hua	do
	Nuan Ti T'ang	Chin	do
	An Shan Chan region	From Liao-yang to Pen-hsi	Iron.
Province of Kirin (Southern portion)			
	Sha Sung Kang	Ho-lung	C. & I.
	Kang Yao	Chi-lin (Kirin)	Coal
	Chia P'i Kou	Hua-tien	Gold

Article 5. (Changed to an exchange of notes.)

The Chinese Government declares that China will hereafter provide funds for building railways in South Manchuria; if foreign capital is required, the Chinese Government agrees to negotiate for the loan with Japanese capitalists first.

Article 5. (Changed to an exchange of notes).

The Chinese Government agrees that hereafter, when a foreign loan is to be made on the security of the taxes of South Manchuria (not including customs and salt revenue on the security of which loans have already been made by the Central Government), it will negotiate for the loan with Japanese capitalists first.

Article 6. (Changed to an exchange of notes.)

The Chinese Government declares that hereafter if foreign advisers or instructors on political, financial, military or police matters are to be employed in South Manchuria, Japanese will be employed first.

Article 7. The Chinese Government agrees speedily to make a fundamental revision of the Kirin-Changchun Railway Loan Agreement, taking as a standard the provisions in railway loan agreement made heretofore between China and foreign financiers. If, in future, more advantageous terms than those in existing railway loan agreements are granted to foreign financiers, in connection with railway loans, the above agreement shall again be revised in accordance with Japan's wishes.

Chinese counter-proposal to Article 7.

All existing treaties between China and Japan relating to Manchuria shall, except where otherwise provided for by this Convention, remain in force

Matters relating to Eastern Inner Mongolia.

1. The Chinese Government agrees that hereafter when a foreign loan is to be made on the security of the taxes of Eastern Inner Mongolia, China must negotiate with the Japanese Government first.

2. The Chinese Government agrees that China will herself provide funds for building the railways in Eastern Inner Mongolia; if foreign capital is required, she must negotiate with Japanese Government first.

3. The Chinese Government agrees, in the interest of trade and for the residence of foreigners, to open by China herself, as soon as possible, certain suitable places in Easter Inner Mongolia as Commercial Ports. The places ought to be opened are to be chosen, and the regulations are to be drafted, by the Chinese Government, but the Japanese Minister must be consulted before making a decision.

4. In the event of Japanese and Chinese desiring jointly to undertake agricultural enterprises and industries incidental thereto, the Chinese Government shall give its permission.

GROUP III.

The relations between Japan and the Hanyehping Company being very intimate, if the interested party of the said Company comes to an agreement with the Japanese capitalists for co-operation, the Chinese Government shall forthwith give its consent thereto. The Chinese Government further agrees that, without the consent of the Japanese capitalists, China will not convert the Company into a state enterprise, nor confiscate it, nor cause it to borrow and use foreign capital other than Japanese.

GROUP IV.

China to give a pronouncement by herself in accordance with the following principle:—

No bay, harbour, or island along the coast of China may be ceded or leased to any Power.

NOTES TO BE EXCHANGED.

A.

As regards the right of financing a railway from Wuchang to connect with the Kiukiang-Nanchang line, the Nanchang-Hangchow railway, and the Nanchang-Chaochow railway, if it is clearly ascertained that other Powers have no objection, China shall grant the said right to Japan.

B.

As regards the right of financing a railway from Wuchang to connect with the Kiukiang-Nanchang railway, a railway from Nanchang to Hangchow and another from Nanchang to Chaochow, the Chinese Government shall not *grant* the said right to any *foreign Power* before Japan come to an understanding with the other Power which is heretofore *interested* therein.

NOTES TO BE EXCHANGED.

The Chinese Government agrees that no nation whatever is to be permitted to construct, on the coast of Fukien Province, a Dock-yard, a coaling station for military use, or a naval base; nor to be authorized to set up any other military establishment. The Chinese Government further agrees not to use foreign capital for setting up the above-mentioned construction or establishment.

Mr. Lu, the Minister of Foreign Affairs, stated as follows:—

1. The Chinese Government shall, whenever, in future, it considers this step necessary, engage numerous Japanese advisers.

2. Whenever, in future, Japanese subjects desire to lease or purchase land in the interior of China for establishing schools or hospitals, the Chinese Government shall forthwith give its consent thereto.

3. When a suitable opportunity arises in future, the Chinese Government will send military officers to Japan to negotiate with Japanese military authorities the matter of purchasing arms or that of establishing a joint arsenal.

Mr. Hioki, the Japanese Minister, stated as follows:—

As relates to the question of the right of missionary propaganda, the same shall be taken up again for negotiation in future.

MEMORANDUM.

Read by the Minister of Foreign Affairs to Mr. Hioki, the Japanese Minister, at a Conference held at Wai Chiao Pu, May 1, 1915.

The list of demands which the Japanese Government first presented to the Chinese Government consists of five groups, the first relating to Shantung, the second relating to South Manchuria and Eastern Inner Mongolia, the third relating to Hanyehping Company, the fourth asking for non-alienation of the coast of the country, and the fifth relating to the questions of national advisers, national police, national arms, missionary propaganda, Yangtse Valley railways, and Fukien Province. Out of profound regard for the intentions entertained by Japan, the Chinese Government took these momentous demands into grave and careful consideration and decided to negotiate with the Japanese Government frankly and sincerely what were possible to negotiate. This is a manifestation to Japan of the most profound regard which the Chinese Government entertains for the relations between the two nations.

(Continued on page 8.)

CHINA'S REPLY TO REVISED DEMANDS.

China's Reply of May 1, 1915 to the Japanese Revised Demands of April 26, 1915.

Group I.

The Chinese Government and the Japanese Government, being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighborhood existing between the two nations, agree to the following articles :—

Article 1. The Chinese Government declare that they will give full assent to all matters upon which the Japanese and German Governments may hereafter mutually agree, relating to the disposition of all interests, which Germany, by virtue of treaties or recorded cases, possesses in relation to the Province of Shantung.

The Japanese Government declare that when the Chinese Government give their assent to the disposition of interests above referred to, Japan will restore the leased territory of Kiaochow to China; and further recognize the right of the Chinese Government to participate in the negotiations referred to above between Japan and Germany.

Article 2. The Japanese Government consent to be responsible for the indemnification of all losses occasioned by Japan's military operation around the leased territory of Kiaochow. The customs, telegraphs and post offices within the leased territory of Kiaochow shall, prior to the restoration of the said leased territory to China, be administered as heretofore for the time being. The railways and telegraph lines erected by Japan for military purposes are to be removed forthwith. The Japanese troops now stationed outside the original leased territory of Kiaochow are now to be withdrawn first; those within the original leased territory are to be withdrawn on the restoration of the said leased territory to China.

Article 3. (Changed into an exchange of notes.)

The Chinese Government declare that within the Province of Shantung and along its coast no territory or island will be ceded or leased to any Power under any pretext.

Article 4 The Chinese Government consent that as regards the railway to be built by China herself from Chefoo or Lungkow to connect with the Kiaochow-Tsinanfu railway, if Germany is willing to abandon the privilege of financing the Chefoo-Weihsien line, China will approach Japanese capitalists for a loan.

Article 5 The Chinese Government engage, in the interest of trade and for the residence of foreigners, to open by herself as soon as possible certain suitable places in the Province of Shantung as Commercial Ports.

(Supplementary Exchange of Notes.)

The places which ought to be opened are to be chosen, and the regulations are to be drafted by the Chinese Government, but the Japanese Minister must be consulted before making a decision.

Article 6 If the Japanese and German Governments are not able to come to a definite agreement in future in their negotiations respecting transfer, etc., this provisional agreement contained in the foregoing articles shall be void.

GROUP II

The Chinese Government and the Japanese Government, with a view to developing their economic relations in South Manchuria agree to the following articles:—

Article 2 Japanese subjects in South Manchuria may, by arrangement with the owners, lease land required for erecting suitable buildings for trade and manufacture or agricul ure enterprises.

Article 3. Japanese subjects shall be free to reside and travel in South Manchuria and to engage in business and manufacture of any kind whatsoever.

Article 3a. The Japanese subjects referred to in the preceding two articles, besides being required to register with the local authorities pass-ports which they must procure under the existing regulations, shall also observe police rules and regulations and pay taxes in the same manner as Chinese. Civil and criminal cases shall be tried and adjudicated by the authorities of the defendent nationality, and an officer can be deputed to attend the proceedings. But all cases purely between Japanese subjects and mixed cases between Japanese and Chinese, relating to land or disputes arising from lease contracts, shall be tried and adjudicated by Chinese Authorities and the Japanese Consul may also depute an officer to attend the proceedings. When the judicial system in the said Province is completely reformed, all the civil and criminal cases concerning Japanese subjects shall be tried entirely by Chinese law courts.

Relating to Eastern Inner Mongolia.

(To be Exchanged by Notes)

1. The Chinese Government declare that China will not in future pledge the taxes, other than customs and salt revenue of that part of Eastern Inner Mongolia under the jurisdiction of South Manchuria and Jehol Intendency, as security for raising a foreign loan.

2 The Chinese Government declare that China will herself provide funds for building the railways in that part of Eastern Inner Mongolia under the jurisdiction of South Manchuria and the Jehol Intendency; if foreign capital is required, China will negotiate with Japanese capitalists first, provided this does not conflict with agreements already concluded with other Powers.

The Chinese Government agree, in the interest of trade and for the residence of foreigners, to open by China herself certain suitable places in that part of Eastern Inner Mongolia under the jurisdiction of South Manchuria and the Jehol Intendency, as Commercial Mart.

The regulations for the said Commercial Marts will be made in accordance with those of other Commercial Marts opend by China herself.

GROUP III.

The regulations between Japan and the Hanyehping Company being very intimate, if the said Company comes to an agreement with the Japanese capitalists for co-operation, the Chinese Government shall forthwith give their consent thereto. The Chinese Government further declare that China will not convert the company into a state enterprise, nor confiscate it, nor cause it to borrow and use foreign capital other than Japanese.

Letter to be addressed by the Japanese Minister to the Chinese Minister of Foreign Affairs.

Excellency: I have the honor to state that a report has reached me that the Chinese Government have given permission to foreign nation to construct, on the coast of Fukien Province, dock yards, coaling stations for military use, naval bases and other establishments for military purposes; and further, that the Chinese Government are borrowing foreign capital for putting up the above-mentioned constructions or establishments. I shall be much obliged, if the Chinese Government will inform me whether or not these reports are well founded in fact.

Reply to be addressed by the Chinese Minister of Foreign Affairs to the Japanese Minister.

Excellency: I have the honor to acknowledge the receipt of your Excellency's Note of.....In reply I beg to state that the Chinese Government have not given permission to foreign Powers to construct, on the coast of Fukien Province, dock yards, coaling stations for military use, naval bases or other establishments for military purposes; nor do they contemplate to borrow foreign capital for putting up such constructions or establishments.

The six articles which are found in Japan's Revised Demands of April 26, 1915, but omitted herein, are those already initialled by the Chinese Foreign Minister and the Japanese Minister.

JAPAN'S ULTIMATUM TO CHINA.

Japan's Ultimatum delivered by the Japanese Minister to the Chinese Government, on May 7th, 1915.

The reason why the Imperial Government opened the present negotiations with the Chinese Government is first to endeavour to dispose of the complications arising out of the war between Japan and Germany, and secondly to attempt to solve those various questions which are detrimental to the intimate relations of China and Japan with a view to solidifying the foundation of cordial friendship subsisting between the two countries to the end that the peace of the Far East may be effectually and permanently preserved. With this object in view, definite proposals were presented to the Chinese Government in January of this year, and up to to-day as many as twenty-five conferences have been held with the Chinese Government in perfect sincerity and frankness.

In the course of the negotiation the Imperial Government have consistently explained the aims and objects of the proposals in a conciliatory spirit, while on the other hand the proposals of the Chinese Government, whether important or unimportant, have been attended to without any reserve.

It may be stated with confidence that no effort has been spared to arrive at a satisfactory and amicable settlement of these questions.

The discussion of the entire corpus of the proposals was practically at an end at the twenty-fourth conference; that is on 17 h of the last month. The Imperial Government, taking a broad view of the negotiation and in consideration of the points raised by the Chinese Government, modified the original proposals with considerable concessions and presented to the Chinese Government on the 26 h of the same month the revised proposals for agreement, and at the same time it was offered that, on the acceptance of the revised proposals, the Imperial Government would at a suitable opportunity, restore, with fair and proper conditions, to the Chinese Government the Kiaochow territory, in the acquisition of which the Imperial Government had made a great sacrifice.

On the 1st of May, the Chinese Government delivered the reply to the revised proposals of the Japanese Government, which is contrary to the expectations of the Imperial Government. The Chinese Government not only did not give a careful consideration to the revised proposals but even with regard to the offer of the Japanese Government to restore Kiaochow to the Chinese Government the latter did not manifest the least appreciation for Japan's goodwill and difficulties.

From the commercial and military points of view Kiaochow is an important place, in the acquisition of which the Japanese Empire sacrificed much blood and money, and, after the acquisition the Empire incurs no obligation to restore it to China. But with the object of increasing the future friendly relations of the two countries, they went to the extent of proposing its restoration, yet to her great regret, the Chinese Government did not take into consideration the good intention of Japan and manifest appreciation of her difficulties. Furthermore, the Chinese Government not only ignored the friendly feelings of the Imperial Government in offering the restoration of Kiaochow Bay, but also in replying to the revised proposals they even demanded its unconditional restoration; and again China demanded that Japan should bear the responsibility of paying indemnity for all the unavoidable losses and damages resulting from Japan's military operations at Kiaochow; and still further in connection with the territory of Kiaochow China advanced other demands and declared that she has the right of participation at the future peace conference to be held between Japan and Germany. Although China is fully aware that the unconditional restoration of Kiaochow and Japan's responsibility of indemnification for the unavoidable losses and damages can never be tolerated by Japan yet she purposely advanced these demands and declared that this reply was final and decisive.

Since Japan could not tolerate such demands the settlement of the other questions, however compromising it may be, would not be to her interest. The consequence is that the present reply of the Chinese Government is, on the whole, vague and meaningless.

Further more, in the reply of the Chinese Government to the other proposals in the revised list of the Imperial Government, such as South Manchuria and Eastern Inner Mongolia, where Japan particularly has geographical, commercial, industrial and strategic relations, as recognized by all the nations, and made more remarkable in consequence of the two wars in which Japan was engaged the Chinese Government overlooks these facts and does not respect Japan's position in that place. The Chinese Government even freely altered those articles which the Imperial Government, in a compromising spirit, have formulated in accordance with the statement of the Chinese Representatives thereby making the statements of the Representatives an empty talk; and on seeing them conceding with the one hand and withholding with the other it is very difficult to attribute faithfulness and sincerity to the Chinese Authorities.

As regards the articles relating to the employment of advisers, the establishment of schools and hospitals, the supply of arms and ammunition and the establishment of arsenals and railway concessions in South China in the revised proposals they were either proposed with the proviso that the consent of the Power concerned must be obtained, or they are merely to be recorded in the minutes in accordance with the statements of the Chinese delegates, and thus they are not in the least in

conflict either with Chinese sovereignty or her treaties with the Foreign Powers, yet the Chinese Government in their reply to the proposals, alleging that these proposals are incompatible with their sovereign rights and treaties with Foreign Powers, defeat the expectations of the Imperial Government. However in spite of such attitude of the Chinese Government, the Imperial Government, though regretting to see that there is no room for further negotiations, yet warmly attached to the preservation of the peace of the Far East, is still hoping for a satisfactory settlement in order to avoid the disturbance of the relations.

So in spite of the circumstances which admit no patience, they will reconsider the feelings of the Government of her neighbouring country and, with the exception of the article relating to Fukien which is to be the subject of an exchange of notes as has already been agreed upon by the Representatives of both nations, will undertake to detach the Group V. from the present negotiation and discuss it separately in the future. Therefore the Chinese Government should appreciate the friendly feelings of the Imperial Government by immediately accepting without any alteration all the articles of Group I, II, III, and IV and the exchange of notes in connection with Fukien province in Group V as contained in the revised proposals presented on the 26th of April.

The Imperial Government hereby again offer their advice and hopes that the Chinese Government, upon this advice, will give a satisfactory reply up to 6 o'clock p.m. on the 9th day of May. It is hereby declared that if no satisfactory reply is received before or at the designated time, the Imperial Government will take steps she may deem necessary.

EXPLANATORY NOTE.

Accompanying Memorandum delivered to the Minister of Foreign Affairs by the Japanese Minister theseventh day of May, 1915.

1. With the exception of the question of Fukien to be arranged by an exchange of notes, the five articles postponed for later negotiation refer to (a) the employment of advisers, (b) the establishment of schools and hospitals, (c) the railway concessions in South China, (d) the supply of arms and ammunition and the estsblishment of arsenals and (e) the propagation of Buddhism.

2. The acceptance by the Chinese Government of the article relating to Fukien may be either in the form as proposed by the Japanese Minister on the 26th of April or in that contained in the Reply of the Chinese Government of May 1st. Although the Ultimatum calls for the immediate acceptance by China of the modified proposals presented on April 26th, without alteration, but it should be noted that it merely state the principle and does not apply to this article and articles 4 and 5 of this note.

3. If the Chinese Government accept all the articles as demanded in the Ultimatum the offer of the Japanese Government to restore Kiaochow to China made on the 26th of April, will still hold good.

4. Article 2 of Group II relating to the lease or purchase of land, the terms "lease" and "purchase" may be replaced by the terms "temporary lease" and "perpetual lease" or "lease on consultation," which means a long-term lease with its unconditional renewal;

Article 4 of Group II relating to the approval of laws and ordinances and local taxes by the Japanese Consul may form the subject of a secret agreement.

5. The phrase "to consult with the Japanese Government" in connection with questions of pledging the local taxes for raising loans and the loans for the construction of railways, in Eastern Inner Mongolia, which is similar to the agreement in Manchuria relating to the matters of the same kind, may be replaced by the phrase "to consult with the Japanese capitalists."

The article relating to the opening of trade marts in Eastern Inner Mongolia in respect to location and regulations, may, following the precedent set in Shantung, be the subject of an exchange of notes.

6. From the phrase "those interested in the Company" in Group III of the revised list of demands, the words "those interested in" may be deleted.

7. The Japanese version of the Formal Agreement and its annexes shall be the official text or both the Chinese and Japanese shall be the official texts.

CHINA'S ACCEPTANCE OF THE ULTIMATUM.

Reply of the Chinese Government to the Ultimatum of the Japanese Government, delivered to the Japanese Minister by the Minister of Foreign Affairs on the 8th of May, 1915.

On the 7th of this month, at three o'clock p.m., the Chinese Government received an Ultimatum from the Japanese Government together with an Explanatory Note of seven articles. The Ultimatum concluded with the hope that the Chinese Government up to 6 o'clock p.m., on the 9th of May, will give a satisfactory reply, and it is hereby declared that if no satisfactory reply is received before or at the designated time, the Japanese Government will take steps she may deem necessary.

The Chinese Government with a view to preserving the peace of the Far East, hereby accepts, with the exception of those five articles of Group V. postponed for later negotiation, all the articles of Group I, II, III, and IV and the exchange of notes in connection with Fukien Province in Group V as contained in the revised proposals presented on the 26th of April and in accordance with the Explanatory Note of seven articles accompanying the Ultimatum of the Japanese Government with the hope that thereby all the outstanding questions are settled, so that the cordial relationship between the two countries may be further consolidated. The Japanese Minister is hereby requested to appoint a day to call at the Ministry of Foreign Affairs to make the literary improvement of the text and sign the Agreement as soon as possible.

NON-ALIENATION OF THE COAST OF CHINA.

Mandate of the President

By a Mandate of the President, issued last night, the following memorial from the Tsan Cheng Yuan was made public and the President's Rescript thereto appended:

During the last days of the Ching regime when the power and influence of the nation were in the decline, the coast was the scene of many military activities. Consequently some parts of the coast were either ceded while others were leased to foreign countries; thus many strategic points fell into the hands of foreign countries and the means of defence has practically lost to China, whose people have been since not been able to enjoy peace. This is directly in conflict with the principle of defending the country by occupying the strategical points. We, therefore suggest to the Government that at this time when our country has just passed through a period of suffering and pain, we should profit by the past experience and make a plan for the future. An open order should be given to the Ministries of War and Navy as well as the provincial Authorities to give special attention to the coast defense so that the people residing in these regions may live in peace in their homes and pursue their occupations. A declaration should be made to the world that hereafter no part of the coast or islands, bays or ports thereof shall be ceded or leased to any foreign country with a view that the nation will be at ease that its defence is secure while peace may reign among the different countries. This problem was brought up for discussion at a meeting held on 12th of the 5th month and then unanimously passed. We hereby respectfully present this suggestion for promulgation, etc.

President's Rescript: Since the coast regions are in close relations with national defence and therefore, should be well guarded before hand, the suggestion of the Tsan Cheng Yuan is indeed far-sighted; and hereby it is promulgated. Hereafter no part of the coast or any port, bay or island thereof will be ceded or leased to whatever foreign country. The Ministries of War and Navy as well as the provincial Authorities of the coast provinces are hereby instructed to be specifically responsible for the defence of the same so that the sovereignty of the nation may be consolidated.

X

CHINA and JAPAN

Peking, May 5, 1915.

President's telegram to Provinces.

In consequence of the increased tension between China and Japan in the Sino-Japanese negotiations, H. E. Yuan has wired an identical telegram to all Provinces, as follows:

1. - In order to give no pretext to Japan to commence hostilities against our Country, it is absolutely necessary for the high provincial authorities to devise means to prevent any anti-Japanese demonstrations or riots while at the same time great care should be taken by them and their subordinates to induce the people to love their own Fatherland so that in case of necessity, the masses know how to defend their own homes against alien aggression.

2. - If the people know how to love their own Country, then they know how to use the native products of their Fatherland without anycollective demonstration against foreign goods. Hence the improvement of native products is not prohibited by the Government; but any useless demonstration or talk about boycott of foreign merchandise is strictly forbidden at this critical moment.

3. - The publication of patriotic announcements or speeches or any printed matters concerning the improvement and extension of native products are not prohibited by the Government; but in order to prevent bad-characters or fiendish elements to mix themselves in the company of well-to-do merchants and people to make mischief for attaining their selfish ends, Provincial authorities are hereby ordered to pay their full attention to inflict certain restrictions according to the existing condition of their respective districts so as to confine the patriotic people of our Country to the right path.

In conclusion, the President adds that the people of the 20th Century should know how to love and respect their own Fatherland and die for it in case of emergency; but in the case of individuals, they should respect foreigners, any anti-foreign demonstrations or riots are greatly despised as senseless and barbarous by the civilized world. Hence in the midst of our perils, we must exert our best to gain the sympathy and respect of foreigners. Sensible and educated men will certainly at once know the real intention and idea of the Central Government in handling the most delicate situation so that the Civil Governors and Chiangchuns must strictly adhere to these instructions.

FRIDAY, MAY 14, 1915.

THE INDICTMENT OF JAPAN.

In the interests of historical accuracy and of the honour and good name of China, the Government have deemed it expedient and necessary to issue the official statement respecting the Chino-Japanese negotiations which we publish to-day. It is at once a reply to the garbled and mendacious assertions contained in the Japanese ultimatum, repeated in a grosser form in the communique cabled abroad by the Imperial Japanese Government for the purpose of misleading the world, as well as an indictment of that same Government for the infamous attempt made to shackle the people of this country in the chains of alien conquest. A perusal of the document reveals the fact that the Japanese have not hesitated to violate any and every principle governing the international relations between States in the presentation of and in the endeavour to secure and exact compliance with their demands. In the first place the Japanese Minister took the unprecedented course—of which only the ignorant representative of some untutored Princeling could have been similarly guilty—of presenting to the Head of the State the original list of the demands. A similar breach of diplomatic procedure was also practised by the Japanese in their demand insisting that the number of Chinese delegates to the Conference should be reduced from five to three and in their refusal to the keeping of properly signed minutes of the proceedings rendering possible the extraordinary garbling of many a statement made by the Chinese Foreign Minister in the course of the negotiations, notably his statement relating to the demands for advisers, the establishment of Japanese schools and hospitals and the purchase of arms and ammunition. The same tortious policy is seen in operation in the Japanese efforts to bully and intimidate the Chinese Authorities during the progress of the negotiations. Twice the Japanese Minister suspended the conferences with the deliberate object of compelling compliance with his views regarding certain points; and, when on March 22 the Japanese Government despatched large bodies of conscripts to South Manchuria and Shantung for the ostensible purpose of relieving the garrison whose term of service had not then expired, the Japanese Minister stated, in reply to a direct question as to when the retiring troops would be withdrawn, that the withdrawal would not take place until the negotiations were brought to a satisfactory conclusion.

The great pressure on our columns to-day prevents us from further particularising the many other instances of diplomatic and other graver misconduct on the part of the Japanese, which the official Chinese Statement discloses. We have just enough space in this issue to draw attention to the passage in the Statement relating to the Chinese proposal for the retrocession of Kiaochou, on which the Japanese have laid such vehement stress and emphasis in order to justify the issue of their ultimatum. At the very first Conference, held on February 2, the Chinese Government agreed in principle to the first article of the Shantung Group of demands which calls for China's assent to the transfer of German rights in the province to Japan. The Government maintained at first that the demand involved matters relating to the *post bellum* settlement and should be left over for discussion by all the parties concerned at the Peace Conference. The Japanese delegates pressed for the acceptance of the demand which eventually was agreed to in principle but certain supplementary proposals were formulated, of which the principal one related to the retrocession of Kiaochou. It was worded in these terms: "The Japanese Government declares that when the Chinese Government give their assent to the transfer of the rights above referred to, Japan will restore the Leased Territory of Kiaochou to China, and further recognises the right of the Chinese Government to participate in the negotiations referred to above between Japan and Germany". The State-

ment emphasises the fact that the provision for a *declaration* to restore Kiaochou was clearly not a demand on Japan but only a reiteration of Japan's voluntary statement in her Ultimatum to Germany issued on August 15, 1914—a copy of which was officially transmitted to the Chinese Government for perusal on the same date—and repeated in public statements by the Japanese Premier, Count Okuma. The point is also emphasised in the Statement that the Chinese Government left the entire question of the conditions in connexion with the restoration with Japan for determination and took care to refrain from making any reference thereto in the supplementary proposal on the subject. In view of the gross mis-statement in the Japanese ultimatum which represents the terms of the Chinese proposal regardingt he . restoration of Kiaochou as definite and final, atten tion must be drawn to the following passage in the Memorandum which was read by the Chinese Minister of Foreign Affairs when handing in the Chinese Reply to the Revised Japanese demands of twenty-four articles: "Now, since the Japanese Government have presented a revised list of demands and declared at the same time that it will restore the leased territory of Kiaochou, the Chinese Government reconsiders the whole question and herewith submits a new reply to the friendly Japanese Government. *In this reply the unsettled articles* [including the one relating to the question of Kiaochou] *in the first-group are stated again for discussion.*" Only the Japanese mind can read finality into this statement.

No. 4.

AMERICAN CONSULATE,

Chungking, China, June 2, 1915.

Subject: Arrival of New Governer with Northern Troops.

Sub. ...I...
Recd. ...16 JUN 1915...
Ack. .....
Ans. .....
Ref. .....
A. e. .....

800

Honorable Paul S. Reinsch,

American Envoy Extraordinary and Minister Plenipotentiary,

Peking.

Sir:-

I have the honor to report that Ch'en I (陳宧), general in command of the northern troops which are being sent into this province, passed through Chungking a few weeks ago en route to Chengtu to take up his appointment as Civil Governor. The opinion is held here, as well as in Chengtu, I believe, that he will be given the additional appointment of Chiangchun, or chief of the military forces, relieving General Hu Ching-i (胡景伊). General Ch'en's past military affiliations and the fact of his being in command of the northern troops leads one to believe that unless it is intended to combine the offices of Civil Governor and Chiangchun his appointment as Civil Governor is merely a subterfuge to avoid possible trouble with the Szechuanese troops, and will be held only for a short time. At any rate, I am informed by persons who have recently been in touch with General Hu that he is anxious to resign, apparently with the idea of thus avoiding any personal inculpation in the event

of

of friction between the northern and Szechuanese troops which he appears to regard as probable.

I have heard locally from official sources that three mixed brigades of northern troops, in numbers between 12,000 and 15,000, are being sent into the province overland and by water, most of which, if not all, have already arrived. From what I could learn at Ichang and else where, the above figures should represent a fair estimate of these northern forces. The headquarters of one brigade is at Chungking, of another at Chengtu, and of the third, it is said, will be in the western part of the province, probably at Tachienlu. These troops are said to be well officered - there are some foreign trained officers, graduates of French military schools amongst them - and well disciplined. The impression that both officers and men have made locally on both foreigners and Chinese is highly complimentary to themselves. It is to be hoped that in the work which must be accomplished before peace and order are re-established they may give a good account of themselves.

The personal history of Ch'en I is probably well known to the Legation in view of his recent position in the capital. I will only mention that he held the position of director of a military school at Chengtu during the tenure of Viceroy Hsi Liang and later went with him to Yunnan where he is said to have distinguished himself in supressing a serious disturbance there. He also held military positions in Kwanghsi and Fengtien provinces during the latter Manchu days.

I have the honor to be, Sir,
Your obedient servant,

Lloyd S. Ellyson
Consul.

800
Copy to Department.

No. 15

AMERICAN CONSULATE,

SWATOW, CHINA.

June 10, 1915.

Sub. .....
Recd. 17 JUN 1915
Ack. .....
Ans. .....
Ref. .....
Ans. .....

800

Subject: Disbanded Troops

Honorable Paul S. Reinsch,

American Envoy Extraordinary
and Minister Plenipotentiary,

Peking.

Sir:

I have the honor to report that Brigadier General Ma Ch'un Fa, as soon as he took over charge of the local office of Defence Commissioner of Chao-Mei, immediately took steps to suppress gambling and opium smoking in Swatow.

As the proprietors and abettors of these illegal establishments are for the most part disbanded soldiers of the revolutionary army, General Ma first took action against these ex military men. Under date of June 8th, he issued eight regulations to secure the deportation of disbanded troops to their respective homes and fixed seven days as a limit of time within which they were to be carried out.

The regulations follow:

1. Disbanded soldiers whose homes are in the Yangtze River Valley will be given tickets to Shanghai and

$15.00

$15.00 each.

2. Disbanded soldiers whose homes are in the Canton district of Kuangtung will be given tickets to Canton and $8.00 each; those whose homes are in Kuangsi and the Ch'in and Lien districts of Kuangtung will be given passage to Canton and $10.00 each.

3. The Constabulary (警衛軍) and Territorial (陸軍) headquarters are given a week to complete reports in regard to the disbanded troops which formerly belonged to their respective forces.

4. Ex soldiers who have come to Swatow after having been disbanded at other places will be taken charge of by the police. A week is given for their complete registration.

5. Magistrates and military captains in the districts are given 10 days, commencing on the day of receipt of instructions, to register and send to Swatow the disbanded troops in their respective districts.

6. As soon as a disbanded soldier is registered and his photograph taken he will be given a food allowance of 10 cents each day until the day of departure.

7. Disbanded troops who have taken up honest civil trades will be permitted to stay, if they can file bonds of their being such signed by local firms.

8. Those who report themselves in the period given will be sent home. Those who fail to report, when found in Swatow, will be sent home and handed over to the official in their respective home districts for discipline. Those who fail to report themselves after a month's time will be shot, if their cases are serious, and, otherwise, they will be imprisoned.

General

General Ma has received praise from the local vernacular newspapers because of the program he has outlined and because of the vigor which he has displayed in starting to oust the peace disturbing element from Swatow. It is hoped by the respectable community that he may succeed in his ambitious plans.

I have been informed by General Ma that he has under his control about 1,000 Luchün (陸軍) or regular troops and about 1,000 Ching-wei-chün (警衛軍) or constabulary. The local disbanded soldiers have been on good terms with the latter, and this fact made it difficult for the late General Wu Hsiang Ta (吳祥達), who only had the constabulary under him, to take as vigorous action as he might have desired against the rowdy disbanded soldier element. General Ma, however, can depend upon the regular troops under his control to handle this unruly crowd and its sympathetic friends among the constabulary.

The new General is a Yünnan man about 40 years old who has had experience in Canton and Kuangsi. He is medium size and does not outwardly impress one as being a military man. From his remarks, however, it can be concluded that he believes in wielding the "mailed fist", which is needed here to govern the turbulent element in this district.

I have the honor to be, Sir,

Your obedient servant,

H. S. Bauer

800

Consul.

Copy sent to Department of State.

No. 16

AMERICAN CONSULATE,

SWATOW, CHINA.

June 28, 1915.

Subject: Active Work of Defence Commissioner

Ma Ch'un Fa.

Sub. .....
Recd. 10 JUL 1915
Ack. .....
Ans. .....
Ref. .....
Ans. .....

800

Honorable Paul S. Reinsch,

American Envoy Extraordinary
and Minister Plenipotentiary,

Peking.

Sir:

In continuation of this office's despatch No. 15, dated June 10, 1915, (File No. 800) on the subject of disbanded troops, I have the honor to report that General Ma is continuing his active efforts to free Swatow and vicinity of undesirable characters.

General Ma informed me on June 25th, that he had sent over 400 disbanded troops, mostly natives from the Yangtze River Valley provinces, to their respective homes. It is expected that the strenuous methods adopted by General Ma will soon result in the departure of all undesirable disbanded soldiers. It is needless to say that the law abiding Chinese are pleased with General Ma's efforts.

On June 19th, General Ma issued a proclamation with regard to the execution of two Triad Society leaders.

These

These two bandits, Ch'en Yu Shan (陳玉山) and Wu Ya Ch'ui (吳阿錐), were captured at Chaochowfu and sent to Swatow for trial. It was reported that the former confessed that he had been a Triad leader for the past twenty years and commanded a large following; and that in May he had received orders from Sun Yat Sen (孫逸仙) to start a third revolution by an attempt to establish a military base at Ungkung (黃岡) and, later, to attack Chaochowfu and Swatow.

The latter confessed that he had been a Triad for thirteen years and that he had been commissioned by Sun Yat Sen to be commandant at Ungkung.

It was also reported that "third revolution" banners, literature, wooden seals, charms, badge cloths,, account books, registers of names, arms and ammunition were captured.

The proclamation finishes by stating that, as the prisoners were found to be confirmed leaders of evil characters and had attempted to start a third revolution to the injury of all citizens, to all of which the bandits confessed, they were executed by being shot in accordance with the law.

General Ma assured me that the Triad Society, of which these two men were leaders, was working in conjunction with Sun Yat Sen's party. It is difficult to ascertain the truth of such an assertion. It is evident that, although President Yuan Shih Kai and his Peking Government are not popular here, Sun Yat Sen's prestige among the local people was decidedly lessened when he participated in the second revolution. His residence in Japan and his apparent pro-Japanese attitude, which the local people cannot understand in view of Japan's recent attitude toward China, have made

his

his former admirers suspicious of his motives and patriotism.

If revolutionary leaders are endeavoring to enlist such men as the heads of the Triad Society, which has an evil reputation locally, to further their cause, any fresh revolutionary movement, which would appear to have little chance of being successful, would work much suffering and harm among the Chinese of this province.

General Ma appears determined to suppress the evil activities of local secret societies. His reasons may be purely to nip incipient revolutionary plots in the bud, but the results are gratifying to Chinese and foreigners alike.

General Ma is closely guarded. When he called upon me and, when I returned his call, in both instances, soldiers with forefingers unpleasantly caressing the triggers of their automatic pistols, stood close watch within twenty feet of their commander. His vigorous action towards evil characters is naturally unpopular among them and precautions against assassination appear to be necessary.

I have the honor to be, Sir,

Your obedient servant,

E. C. Lauer

800 Consul.

Copy of this despatch is being sent to the Department of State, Washington.

File

Impeachments

Peking, China

August 6, 1915.

Officials

No. 722.

Sub. .....

Recd. .....
Ack. .....
Ans. .....
Ref. .....
Ans. .....

STRICTLY CONFIDENTIAL

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to enclose, for the information of the Department, a memorandum by the Chinese Secretary of the Legation, dated July 29th, in regard to the series of impeachments of high Chinese officials which began about the middle of June with the dismissal from office of Mr. Chang Hu, Vice-Minister of Finance and Chief Inspector of the Salt Gabelle. I also enclose a list, prepared by the Chinese Secretary, of Chinese officials known to be under impeachment on the 1st instant.

The dismissal of Chang Hu came as a startling indication of a new ferment in Chinese political circles. As Chief Inspector of the Salt Gabelle, he had made a reputa-

reputation

tion for efficiency as an administrator and had worked sympathetically with Sir Richard Dane, the foreign Associate Chief Inspector of the Salt Revenues. His dismissal was, therefore, generally regarded as an indirect attack upon the system of administration introduced by Sir Richard Dane; and I have learned in strict confidence that the British Minister for a time gave serious consideration to a protest in the matter, but that it was realized that such a protest could scarcely succeed in retaining Chang Hu in office — more especially as the fact was known, to both the British Minister and Sir Richard, that in certain private transactions connected with the Salt Gabelle the conduct of Chang Hu had not been altogether above reproach and would be difficult to justify, as would be necessary in order to compel his retention in office. Upon the filing of the actual impeachment against him, involving serious charges of corruption, Chang Hu took refuge in the Japanese Concession at Tientsin; and I am further confidentially informed that at that point the British Minister did intervene with the Chinese authorities to obtain an assurance that Chang Hu would be allowed to return to Peking without personal danger.

Although it seems to be the fact that the action taken by Mr. Chou Hsueh-hsi, Minister of Finance, against Chang Hu was based rather upon personal feeling than upon considerations of official integrity on the one hand or of factional interest on the other, yet it appears probable that such action would not have been possible but for the fact that there exists a somewhat vague and

unformed

unformed desire on the part of the higher Chinese authorities to remedy the known corruption and administrative abuses in the Government, and the further fact that the military faction, which has come to be known as the Anhui Party, has at the present juncture been able to turn that feeling to its own uses and employ it as a weapon against the so-called Cantonese Party, headed by Mr. Liang Shih-yi, which has so completely engrafted itself upon the financial administration of the country. There immediately followed a long series of impeachments of metropolitan officials, in almost every case inspired by the Anhui faction against Cantonese officials; and in the provinces, as well, there have been numerous impeachments and even more rumors of impeachments, not only on serious charges, but also on trivial grounds — as recently there was talk of impeaching the Governor of Chekiang on the ground that he had reported to the Central Government that the Provincial Treasurer (not his own appointee, but that of the Government) was believed to be dishonest in the administration of his office.

Although the best informed foreign observers seem to agree that the present ferment contains at least an element of honest desire to reform the financial administration of the Government, it seems to be the fact that the dominant motive is factional, and that (at least in so far as concerns the metropolitan officials) the recent impeachments are primarily significant as evidencing the present ascendency of the Anhui Party with the President and his immediate advisers. The appointment of General Hsü to the President's staff immediately after his dis-

dismissal

missal from the office of Vice-Minister of War, on charges of corruption, is an obvious indication of the same fact. It seems to be generally felt, however, that the Anhui Party has carried the attack as far as it is able to do — that it has so over-played its intrigue that, in order to avoid a complete disorganization of the Government, the majority of the impeachments brought must be allowed to be dropped — and that, with perhaps a few isolated exceptions, none of the accused officials will actually suffer in place or reputation in consequence of these incidents. For one thing, it seems clear that the President is not in a position to dispense with or to antagonize Liang Shih-yi, who, with no other official status than that of Director of the Revenue Council, is recognized as the really dominant force in the financial policy and administration of the Chinese Government. I enclose herewith a clipping from the PEKING GAZETTE of the 19th ultimo, quoting from another paper an expression of confidence in Mr. Liang by the President: and, from a reliable confidential source, I learn that such a declaration was in fact voluntarily made by the President for publication, and that he has given it to be understood that he will not countenance any attempt to discredit Mr. Liang.

From this it would therefore seem that, whatever the issue of particular cases involved in these impeachments, there is little likelihood that the Anhui Party will in the foreseeable future be able to oust Mr. Liang and his Cantonese adherents from the position of dominating influence which they hold in the financial administration of the country — even in the Ministry of Finance itself,

in spite

in spite of the fact that Mr. Chou Hsüeh-hsi is not of their party.

I have the honor to be, Sir,

Your obedient servant,

J. V. A. MACMURRAY.

Enclosures:

As stated.

800.

A true copy of the signed original.

MEMO. by CHIN. SEC'Y.

Over a month ago Chinese officialdom was greatly excited by the sudden dismissal from office of Chang Hu, Vice Minister of Finance and Director General of the Salt Gabelle. Charges of corruption were lodged against him by Hsia Shou-K'ang, one of the Censors, but no trial was ordered. He was simply dismissed from office and ordered to proceed to Ssu Ch'uan, there to await such official employment as might be given him. Before Chang Hu had left for Ssu Ch'uan, however, other impeachment charges were lodged against him by four Censors jointly. These charges included corruption in connection with the transportation of salt and participation in a monopolistic company that had been organized to handle salt, called the T'ung Ch'un Hao, and also general charges of corruption. On the filing of this second impeachment Chang Hu was handed over to the Court of Impeachment (P'ing Chêng Yüan) for trial, but no decision has been announced nor have any particulars regarding the trial been given out for publication.

Immediately after the impeachment of Chang Hu, Mr. Chao Ch'ing-hua, the Director of the Tientsin-P'ukow Railway, was impeached by one of the censors for corrupt collusion with the "Hui-t'ung Kung-ssu", a transportation company engaged in business on the Ching-p'u Railway. His case was also turned over to the Court of Impeachment, but no judgment has yet been rendered.

Yeh Kung-cho, the Vice Minister of Communications, was also impeached in connection with the Tientsin-P'ukow Railway case. He was suspended from office to await the result of the Court's investigation of the Railway's affairs. Next Kuan Mien-chün, the Director of the Peking-Kalgan Railway, was dismissed from office and Wu Ying-k'o was

appointed to make an examination of his accounts. No impeachment has yet been filed against Mr. Kuan Mien-chêng, General Hsü Shu-chêng, Vice Minister of War, has been accused of corruption in the purchase of munitions of war and he was dismissed from his office and it was supposed that impeachment proceedings were to be regularly instituted against him, but he was suddenly given an appointment as Adviser on the President's Staff at the same salary that he had enjoyed as Vice Minister and nothing more has been heard of the charges against him.

Chu Ch'i-ch'ien, the Minister of the Interior, was impeached by one of the Censors recently for irregularities in his administration of Peking city affairs, but the Government dismissed the impeachment without notice. Several minor officials have been impeached in connection with the Tientsin P'ukow Railway case . Among these are Yuan Ch'ang-k'un, now Director of Telegraphs at Shanghai, and Yeh Tao-shêng, a brother of Yeh Kung-cho.

As to the party affiliations of the above named officials, Chang Hu has not been closely related to the so-called Canton Party headed by Liang Shih-i, but he is supposed to have incurred the personal enmity of Chou Hsüeh-hsi, the Minister of Finance, who is reputed to be opposed to the introduction of so much foreign assistance in the Salt Gabelle. This last, however, may be mere rumor. General Hsü Shu-chêng is an Anhuin man and the backing of the Anhuin (military) Party is supposed to be the reason why the charges against him were suddenly dropped and he was given a special appointment on the President's Staff. All the others belong to the Canton Party and the influence of that Party is thought to be

delaying the course of justice in their cases. It is too early to decide whether the President's desire to ~~purify~~ the administration or the exegencies of party politics will win the situation.

From Private conversations which the Chinese Secretary has had with different Chinese officials he finds that the general belief is that the cases now before the Court of Impeachment will not be pressed to the point of convictions and that simple dismissal from office will be as far as punishment will go in the case of anyone supposed to be guilty of corrupt practices. Pressing the charges to the bitter end would rouse party feeling beyond the safety point and will not probably be sanctioned by the President.

Charles D. Tenney,

Chinese Secretary.

July 29, 1915.

List of Chinese Officials known to be under Impeachment, August 1st., 1915.

1. Chang Hu, Vice Minister of Finance and Director of the Salt Gabelle. Charge, Irregularities in accounts. Embezzlement.

2. Chao Ch'ing-hua, Director of the Tsing-P'u Railway.
   Charge, Embezzlement.

3. Yeh Kung-cho, Vice Minister of Communications.
   Charge, Embezzlement.

4. Kuan Mien-chun, Director of Peking-Kalgan Railway.
   Charge, Embezzlement.

5. Hsu Shu-cheng, Vice Minister of War.
   Charge, Embezzlement.

6. Chu Ch'i-ch'ien, Minister of the Interior.
   Charge, Irregularities in connection w ith municipal improvements.

7. Yeh Tao-sheng, Railway Official.
   Charge, Embezzlement.

8. Yuan Ch'ang-k'un, Director of Telegraphs.
   Charge, Connection with Tsing-P'u Railway Embezzlement case.

9. Ts'ai Nai-huang, Opium Suppression Commissioner.
   Charge, Corruption in connection with the Opium Trade.

10. Lu Chien-chang, Military Governor of Shensi.
    Charge, Conniving at Poppy Planting.

11. Li Tiao-yuan, Civil Governor of Shensi.
    Charge, Conniving at Poppy Planting.

12. Liu Yung-tsê, Acting Civil Governor of Ssuchuan.
    Charge, Bribery and Corruption.

13. Chang Kuang-chien, Civil Governor of Kansu.
    Charge, Embezzlement.

14. Meng Hsien-i, Civil Governor of Kirin.
    Charge, (Not yet published.)

15. Hsü Shih-ying, Civil Governor of Fukien.

Charge, Dissolute habits and Selling Offices.

16. Chang Ming-ch'i. Civil Governor of Kuangsi.

Charge, Spiteful opposition to a Timber Company.

17. Lung Chien-chang, Acting Civil Governor of Kueichou.

Charge, Connection with Railway Embezzlement cases.

18. Chin Yung, Civil Governor of Shansi.

Charge, Opium Smoking.

19. Ch'en T'ing-chieh, Civil Governor of Szuchuan.

Charge, Involved with Liu Yung-tse in charges of Bribery and Corruption.

20. Wang Shun, Financial Commissioner of Kiangsi.

Charge, Bribery. (Tried and condemned to death. Appeal taken.)

21. Ch'en Ch'i, Director of Chinese Section of the Panama Exposition. Charge, Inefficiency.

22. Li Kue-chun, Civil Governor of Kuangtung.

Charge, Bribery.

The Metropolitan officials mentioned above are to be identified as belonging to one or the other of the two parties or cliques, called the Canton and Anhui Parties, but the provincial officials are not known to be affiliated with these parties.

Charles D. Tenney

Chinese Secretary.

Chinese Secretary's Office,

August 5, 1915.

THE SALT ADMINISTRATION.

Chang Hsun, Minister of Finance and Director of the Salt Administration, has submitted to the President the following memorial exposing the corruptions prevailing in the Salt Gabelle:

The chief matter in the reform of the Salt Administration is to suppress the smuggling of salt. If the less the case of smuggled salt the better will be the market for the official salt, thus the Government will receive more revenue from the salt tax. Otherwise the people will be reduced to misery and the position of the nation will be impaired.

(Continued on page 4)

GOVERNMENT

[*Continued from page 3.*]

Chang Hu, Chief of the Salt Revenue Department, has always boasted of his ability and skill in the management of the salt affairs, but in fact in all the measures he has adopted they have either tended to promote his selfish ends disregarding the interests of the Administration, or increased the burden of the people by improper means. As I am the Chief of the Salt Administration, it is my duty to expose his secret practices to the President. The corruption in the Changlu Salt district have reached a climax, but no order was issued to the various Transportation Commissioners to start a wholesale reform. Under the pretence of the free sale of salt, capital was advanced by the Salt Revenue Department to start the so-called 'Company.' This system was carried on semi-officially for several months and it yielded a profit of more than $100,000. Although the system was not a sound one, the Government would receive some benefit, if it were carried on faithfully. However last year in collusion with several important personages, he converted the above Company into a 'Tung Chun Hao' to monoplize the salt business. The said 'Hao' (Group) itself, however, has not actually handled the sale of salt, but it makes its profit by giving permission to the sub-contractors to deal in the salt business. This has been the real cause of deterioration. There have been numerous complaints about 'short-weighed salt' and adulteration with sand etc. The said 'Hao' thus was easily able to make more than $1,000,000 profit annually. The Transportation Commissioner of Changhi appointed officials to institute a secret investigation, and they have obtained confirmation of the above facts by proofs and evidence.

Formerly the nineteen hsien districts in Northern Anhui and 14 hsien districts in Honan consumed the licensed salt of Huaipei. After the Revolution salt affairs were in a most chaotic condition, and Changlu salt invaded the above regions. Instead of introducing an effective reform the said Chief under the pretext of free sale cancelled the certificates of the former salt merchants, but issued new ones to new merchants. In the original petition of the new merchants, it is stated that "the licensed merchants only convey their salt to Pu, where they await others to transport their salt out of the lake. This is a good system of monopoly, but is bad for transportation of the salt." If the said Chief had been able to find merchants to transport the salt from the Producing to the Consuming Districts, much corruption of bad merchants would be done away with. He, however, commenced to form Companies, which have done their work exactly the same as did the former licensed merchants. Hoan Yu and other representatives of the former licensed merchants then accused the said Chief for his contravention of the law by injuring the interests of the merchants and by misrepresentation of facts he obtained an amount of more than Tls. 400,000 to compensate the loss of the merchants with the hope that their anger might be appeased. The said Chief has entertained no scruple regarding the losses of the Government. The above case has been outstanding for months, and is still pending settlement. At present there are more than one million piculs of salt stocked at Haipu, and no decision has been made regarding the sale of the same. Salt has been smuggled and illegally sold, and consequently the indirect losses to the national revenue are enormous.

According to the usual custom the licensed merchants used to advance before hand the payment of salt to the salt manufacturers without demanding any interest; and the whole transaction was done under the supervision of the Transportation Commissioner. The said Chief, neglecting to study the real condition of the merchants and the manufacturers, borrowed in the name of the Salt Administration $102,000 from the Bank of China and the Bank of Communications, and re-loaned the money to the salt manufacturers for the manufacture of salt. In the salt affairs, the law of supply and demand must be carefully observed. If the supply exceeds the demand, it would encourage smuggling and if the supply is short, transportation affairs cannot be properly regulated. This is merely a primary principle in the Salt Administration, and yet the said Chief, who has been in the Salt Service for years, has failed to understand the same. Last year he authorized the opening in Huaipei of a large number of new salt ponds, causing another accumulation of salt, for the sale of which he has not yet formed the least idea. Besides the above he sanctioned the "borrowing" of salt by the various districts of Huainan and Huaipei from Changlu, Fengtien and Shantung. The salt for Huainan was shipped by steam launches which evaded the inspection of Yangtzu Station, and while the salt was *en route* smuggling and illicit sales were systematically carried on. The accumulated salt at Huaipei was being smuggled and illicitly sold. When it was noticed that the value of the dollar had risen, the Government decided that the salt in Changlu should be put on the dollar basis, thus preventing loss to the merchants. But the said Chief did not take into consideration the market conditions and the interests of the people. He ordered that one copper cent should be reckoned as a silver cent, securing for the merchants enormous benefits at the expense of the poor people. It is estimated that the merchants have made several millions of dollars annually on the 'gain by exchange' alone. We have

failed to find out the real motive of the said Chief, when he assisted the merchants by forcing the people to purchase salt at an exorbitant price.

From the foregoing it will be observed that in adopting various measures the said Chief has inflicted great suffering upon the people and at the same time injuring the interests of the nation; and if such actions are not actuated by selfish designs, it is difficult to explain why he acts in such an abnormal manner. There would not be so many rumours if he did not give occasion for them. Since his appointment the said Chief has earned a very bad reputation, but it is difficult to find evidence to support the charges made by the public against him. It is known to every body that the said Chief has indulged in gambling on a fearful scale, and on one game he has often staked $10,000. Where then is official discipline? The Salt System has been destroyed, and no steps have been taken to introduce reform. There are corruptions in connexion with the soldiers for the arrest of Salt Smugglers, and plans should be at once devised for their reorganization. The salt affairs in Fengtien and Kwangtung are hopelessly corrupt. This is the reason of the great shortage in the receipts of the salt revenue, and I, Hsueh-hsi, felt very uneasy when I was ordered to take charge the salt affairs. As the corruption is so great and far-reaching, the work of reform will no doubt be a great difficulty. I feel it impossible to attend concurrently to the duties and responsibilities of the Salt Administration on account of the pressure of business in the Ministry. Therefore I hereby request that a high official be appointed to manage the affairs of the Salt Administration, while I may be free to attend to the affairs of the Ministry.

The 6th Month of the 4th Year of the Min Kuo.

THE PRESIDENT AND MR. LIANG SHIH-YI

The *Asiatic Daily News* says that in connexion with the attack on Mr. Liang Shih-yi made by the vernacular press on account of the 'Railway' case, the President is said to have expressed the following opinion: "In the late regime Mr. Liang was appointed Director of the Five Lines of Railways, and several tens of million dollars passed through his hands. He was then already renowned for his experience and ability in the management of railway affairs. When Sheng Hsuan-huai was appointed President of the late Board of Posts and Communications, Mr. Liang was superseded; and, being an enemy to the latter, the former tried his best to discover irregularities and corruption in order to involve the latter in trouble. But nothing could be found. From past experience I know perfectly well that Mr. Liang is not a man likely to have practised corruption. Of late he has never spoken anything to me about the affairs of the Ministry of Communications. With regard to the affairs of the Bank of Communications, it is a business concern, and I have no right to interfere. When I was at Pei Yang he served under me, and when I was appointed President of the late Board of Foreign Affairs, he served under me again in the capacity of Councillor. He is a man of profound experience and talent, and his wisdom and decision can rarely be found among his colleagues. During the time of Revolution, when dangers came from every direction, Mr. Liang and the late Chao Ping-chun rendered extraordinary services to the Republic. They entered the palace to persuade the late Ching Emperor to abdicate, for which reason their lives were endangered. I can never forget the services of Mr. Liang towards the establishment of the Min Kuo. I must say it is unjust and ungrateful on the part of the press to ignore all his former merits and sacrifices and to attack him blindly."

C087

File.

AMERICAN CONSULATE GENERAL,
CANTON, CHINA.

Serial No. 282. August 21, 1915.

SUBJECT: Attempted Assassination of General Lung Chi Kwang.

Sub.
Recd. 30 AUG 1915
Ack.
Ans.
Ref.
Ans.

John Van A. MacMurray, Esquire,
American Charge d'Affaires,
Peking, China.

800

Sir:

I have the honor to apprise the Legation that another attempt was made at noon on the 16th instant to assassinate General Lung Chi Kwang, who is living at the Kwan Yin Hill. Two bombs were discovered and one packet of gunpowder in the headquarters of the General. The discovery was made through information received by a military commander, a son-in-law of the General, who is in command of one battalion of soldiers atationed at the General's headquarters. One of the bombs was found lying by the side of the Foreign Building occupied by the General, while the other one was found in the market basket used by the cook of the General. The cook, together with two personal servants of the General, have been arrested and subjected to a very strict examination. A person by the name of Ng, who is employed as a servant to the General, admitted that he had been influenced by two strangers to smuggle bombs by the cook, who put them in his market basket; that some time ago he made the acquaintance of four girls at a

certain

certain hotel in Canton, and that, at the end of last month, a certain person whose name has not been disclosed is said to have arrived from Hongkong claiming that one of the girls was his concubine who had escaped from Hongkong, and after using all sorts of threats he presented the girl to Mr. Ng as his wife, together with the sum of $500, on the understanding that he (the servant) would smuggle the two bombs, now seized, into the headquarters of the General. He did so without any knowledge of what the bombs would be used for, and it was merely out of love that he had for the girl in question. It is reported that the two bombs were coated with glass.

A copy of this despatch has been sent to the Department of State.

I have the honor to be, Sir,

Your obedient servant,

F. D. Sherman.

Consul General.

800

No. 571

AMERICAN CONSULATE GENERAL

Shanghai, China, August 21, 1915.

Subject: Attempted Assassination of Admiral Tseng.

Sub.
Recd. 26 AUG 1915
Ack.
Ans.
Ref.
Ans.

J. V. A. MacMurray, Esquire,
American Charge d' Affaires,
Peking, China.

Sir:

I have the honor to inform you that an attempt was made, on the night of the 18th instant, to assassinate Admiral Tseng Ju Cheng, Commissioner of Defense at Shanghai.

Admiral Tseng was leaving the China Merchants' Steam Navigation Co.'s steamer HSINMING on the French Bund when a bomb was thrown at him by someone on the landing stage. The Admiral was not hurt but a ricksha coolie was wounded. An arrest was made by the French police. According to the Chinese papers the person arrested was formerly a soldier of the 13th Regiment stationed at the Arsenal and had been dismissed on account of misconduct.

The suspect has been handed over to the Chinese authorities by the French Mixed Court.

I have the honor to be, Sir

Your obedient servant,

American Consul detailed as
Vice Consul in Charge.

800
G/L

No. 31

0897

Active measures against revolutionists

Sub.
Recd. 6 SEP 1915
Ack.
Ans.
Ref.

AMERICAN CONSULATE,
SWATOW, CHINA.

August 30, 1915.

File.

Subject: Active Measures Taken against Revolutionists at Kaying.

John Van A. MacMurray, Esquire,
Chargé d'Affaires,
American Legation,
Peking.

F00

Sir:

I have the honor to report that this office has received a letter, dated August 25, 1915, from an American missionary at Kaying (嘉應), Kuangtung Province, in which he states that the Chinese authorities at that place were actively searching for revolutionists.

On August 24th, Chinese entering the city gates were searched, and two suspects were arrested within sight of the mission compound. So far no one of importance has been arrested, those taken into custody, it is reported, being friendless ne'er-do-wells, idle fellows, whose families would be pleased to have them taken off.

The local vernacular newspaper, the Ta Tung Pao, on August 28, 1915, published an article in regard to the matter under discussion, of which the following is a translation:-

"Colonel

"Colonel Yuan of the "Fu" troops at Mei-hsien, having received information from a certain officer in his battalion that one Chang Ya-feng of the eastern suburb (of Mei-hsien City) had visited the troops with a view to win them over to the Third revolutionists, despatched troops to a certain house outside the east gate where Chang was arrested and many proofs and letters of a revolutionary character were found. A certain mason surnamed Hsie was also arrested. After obtaining their deposition, troops were sent to the Chen-hua shop to arrest the proprietor, who, however, escaped. During the same night, the gates were locked and guarded. Proclamations were issued ordering the people to carry lights when going out at night."

Under date of August 27th, the same source at Kaying informed this office that a box containing treasonable correspondence had been discovered by the authorities, and that many of the persons implicated were, at present, in Shanghai and other places. It is reported that much anxiety and apprehension are being felt at Kaying, for rumors had been spread abroad that an uprising was to take effect about September 1, 1915.

I have the honor to be, Sir,

Your obedient servant,

E. S. Sauer

800 Consul.

Copies sent to

Department of State, Washington, and

Commander H. H. Hough, U. S. N., Hongkong.

1 I:C

Proposed change in form of government

Sub.....
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Filed

No. 747.

Peking,

September 7, 1915.

CONFIDENTIAL

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The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

Referring to my telegrams of August 25, 10:00 a.m., September 2, 6:00 p.m., and September 4, midnight, on the subject of the agitation in favor of a restoration of the monarchical form of government in China, I have the honor to report as follows:

For some months past there have been rumors, vague at first, but becoming gradually more definite, that President Yuan Shih-k'ai was maturing a plan for the transformation of the Republic into a monarchy, and taking the throne as the founder of a new dynasty. From several usually trustworthy sources I received, as early as mid-June, information to the effect that the Committee of Ten

of Ten entrusted with the drafting of the Permanent Constitution (for the personnel of which, see my No. 709 of July 29th: File No. 801.1) was being carefully "hand-picked" with a view to its embodying in the Constitution provisions for the reestablishment of a monarchy, and then demanding that the Legislature, which would in due course have been selected with like care, should be convened in order that it might in the name of the people of China decide whether or not the proposed change in the form of government should be made — the President meanwhile deprecating, with the appropriate degree of earnestness, any action tending to force on him responsibilities more lofty than he had assumed as President of the Republic. Despite the character of the sources from which this information reached me, I attached slight importance to it at the time, believing that while certain influences might be intriguing to that end, it was scarcely credible that so shrewd a politician as the President should choose for such a purpose (even if he entertained it) a time when the personnel of the Government was engaged in bitter factional strife (as reported in my No. 722 of August 6th: File No. 800), when the finances of the country were being carried on in hand-to-mouth fashion, when the balance of power in China was destroyed by the European War, when new revolutionary movements were believed to be forming with the connivance of Japan, and when the prestige of his administration was suffering from the yielding of the concessions which the Japanese Government had demanded and enforced by its ultimatum of May 7th. Such plans as were being made were in fact worked out with a degree of

secrecy

secrecy altogether unusual in this country; and for some weeks there appeared to be no concrete indications tending to confirm the reports referred to above.

The first tangible evidence of anything stirring beneath the surface was an interview (of which the account
1- given in the PEKING GAZETTE of July 7th is enclosed herewith) in which the President rebuked General Feng Kuo-chang, Military Governor of Kiangsu Province, for urging upon him the suggestion that he assume the throne. This abjuration said so much more than would have been necessary to a staged disclaimer of any monarchical aspirations, that it had all the appearance of genuineness.

The next development in the movement was associated with the coming of the American Constitutional Adviser, Dr. Frank J. Goodnow, who had returned to Peking in the middle of July for a short visit in pursuance of the arrangement made at the time when Dr. Willoughby was appointed to act as deputy for him (as reported in my No. 310 of July 21, 1914: File No. 801.1). Shortly after his arrival, Dr. Goodnow was asked by the President to prepare for his own information a memorandum on the respective merits of the republican and monarchical forms of government, with particular reference to conditions in China. In entire good faith, though, as the event has proved, with perhaps too little wariness as to the use which might be made of it, Dr. Goodnow in response to this request, prepared a memorandum (of which a copy,
2- as printed in the PEKING DAILY NEWS of August 20th is enclosed herewith) in which he outspokenly set forth the view that theoretically and in the abstract the monarch-

ical form

ical form is the better suited to the genius and traditions and present political development of the Chinese, but expressly disclaimed any judgment on the question whether the conditions actually existing would render feasible or expedient a change from the republicam to the monarchical system. I understand that he also discussed the matter with the President in the same sense, making it clear that as a question of practical politics the matter involved considerations of fact as to which no foreigner is competent to form a judgment, and which must be decided by those responsible for the destinies of the country.

Several others of the foreign advisers were also asked their opinions on this matter; and what profess to be the views of one of them, who is unnamed and whom I have been unable to identify, coinciding very closely with those of Dr. Goodnow, have been published in the press. I have not been able to learn what opinions were expressed by Judge Georges Padoux, the French Adviser in connection with the Five-Power Loan, or by General J. W. H. Munthe, the Norwegian Military Adviser to the President, whose views were similarly asked. Dr. George Morrison, the British Political Adviser to the President, has not been asked for any opinion on the subject, although he has in the meanwhile been personally consulted by the President on other subjects: it was doubtless known in advance, as he has since taken occasion to intimate, that he considers the present time exceptionally inopportune for any such change as is contemplated, and deplores any agitation to that end.

At the

At the end of the second week of August, a monarchical propaganda, professedly based upon Dr. Goodnow's advice, was begun with an amazing suddenness that appears to indicate careful preparation in advance. In spite of the reservations with which Dr. Goodnow had qualified his memorandum for the President, it began to be quoted in
3- the Chinese press (as cited in the enclosed clipping from the PEKING GAZETTE of August 14th) as maintaining categorically the bald thesis that "a monarchical system of government is better than a republican system": and he was thenceforward referred to as supporting or even as having inspired the monarchical movement. On August 16th there appeared in the press the manifesto of an organization calling itself the Ch'ou An Hui or "Peace Planning Society", newly formed for the purpose of "devising means for keeping peace in this country" and for expounding "views concerning the future of our country and the advantages and disadvantages accruing from the republican form of government", which was based upon the declaration that "Dr. Goodnow has stated that a monarchy is a better form of government than republicanism, and according to his opinion a monarchical form of government is most indispensable at present for China". (For trans-
4- lation and editorial comment, see enclosed clippings from
5- the PEKING GAZETTE of August 16th). Dr. Goodnow found it necessary to repudiate the views thus attributed to him, in an interview which appeared in the PEKING GAZETTE
6- of August 18th (of which a copy is enclosed herewith): and with the permission of the President he also caused
2- the full text of his memorandum to be published in the PEKING DAILY NEWS of August 20th. Even the publication of his

of his memorandum, however, did not put an end to the misquotation of his views by the adherents of the Ch'ou An Hui, who continued to refer to his advice in support of their propaganda; and as late as August 24th, in the Society's circular telegram to which reference is made hereafter, Dr. Goodnow's views were cited in a passage of which the following is a translation made by the Chinese Secretary of the Legation:

> "The United States is the foremost republic in the world. Dr. Goodnow, the great American scholar in the Science of Government, says that a monarchy is really better than a republic, and that China especially cannot do without the monarchical form of government. This opinion is held not only by Dr. Goodnow, but by many other well-known scholars. As Dr. Goodnow is a citizen of a republic, he is very familiar with both the advantages and failures of the republican form of government. Moreover, he says that conditions in America and China are different, and that the institutions of the one country cannot be forcibly transplanted to the other."

Dr. Goodnow consequently found himself placed in a false light, and in order to clear up his position he brought pressure to bear upon certain of his official associates who were in a position to influence the leaders of the Ch'ou An Hui, with the result that a notice to the following effect was published in the Chinese press on August 28th:

> "With reference to the discussion of the question 'Monarchy or Republic', Dr. Goodnow has made no statement other than that contained in the memorandum which he presented to the President. Lest there should be any misapprehension on the subject, we hereby specially issue this notice.
> "(signed) CH'OU AN HUI."

I have reason to believe that Dr. Goodnow fully realized and resented the fact that, through garbled quotations and misrepresentations of the views which he had under instructions submitted for the confidential information of the President, he had been used as a tool for the

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for the purposes of the Ch'ou An Hui. And while conceding everything to his honesty of purpose, one cannot but regret that, in the first instance, having had already some experience of Chinese methods, he was so incautious as to lay himself open to the misuse which was actually made of his views; and that, in the second place, he did not insist (as he would seem to have been in a position to do) that there should be an official denial by the Government of his having advised it in the sense for which he was irresponsibly quoted by the adherents of the Ch'ou An Hui.

In the earliest days of its formation, the Ch'ou An Hui was scarcely taken seriously by outside observers. Even when there was published an interview (of which the

7- translation appearing in the PEKING GAZETTE of August 17th is enclosed herewith) in which the President, referring to the activities of that Society, said,

> "As to the people of the country ..... it is quite reasonable for them to discuss the best method which will ensure them permanent peace and happiness. ..... How can I interfere with such a movement, merely for the reason that such a movement would tend to misrepresent me to the public as a person who entertains some doubtful and suspicious ambition? ..... If it does not tend to disturb the order of the country, there is no necessity for the Government to take measures to interfere with it" —

even then, the apparent inopportuneness of the times, the comparative obscurity of those who were known as its adherents, and the shallowness and obvious insincerity of its propaganda, all tended to induce the belief that the movement was no more than a <u>ballon d'essai</u> — an activity which the President countenanced, perhaps with a view to its revealing whether or not the temper of the country

would

would admit of such a possibility now or at some later occasion, but which he in all probability regarded as a means of quieting the enthusiasts and the sycophants by letting them batter their heads against an impossibility.

But meanwhile the Ch'ou An Hui throve immensely. In addition to the original manifesto (quoted in the enclosure from the PEKING GAZETTE of the 16th ultimo), it issued a prospectus and notifications (which are enclosed herewith in translations from the PEKING GAZETTE of August 21st), and a circular telegram to the Civil and Military Governors of the Provinces, to the Lieutenant-Generals, and to the Chambers of Commerce and popular bodies of the provinces, expressing the belief that the republican form of government is not suitable to China (of which a translation, as printed in the PEKING DAILY NEWS of the 25th ultimo is enclosed herewith): and its "chief promoter", Mr. Yang Tu, published an elaborate "Defence of the Monarchical Movement" (of which I enclose a translation as printed in the PEKING DAILY NEWS of August 26th, 27th and 28th): it attained the distinction of having its leaders interviewed by Mr. B. L. Simpson ("Putnam Weale"), who printed (in the PEKING GAZETTE of September 4th, of which a clipping is enclosed) a whole paragraph of their views among a dozen of his own; it acquired the rather more substantial dignity of having its views and purposes contested with eloquent and apparently sincerely patriotic earnestness by Mr. Liang Ch'i-ch'iao, recently Minister of Justice, in an interview printed in the PEKING GAZETTE of the 31st ultimo (of which a copy is enclosed), and in an article (of which a translation, as printed in the GAZETTE of September 4th and 6th, is enclosed):

and,

and, most important of all, it contrived to receive from the Civil and Military Governors and others, to whom its circular was addressed, most encouragingly acquiescent replies — which, for the most part, embody the ideas and the terms which the Society professed to quote from the memorandum which Dr. Goodnow had submitted for the information of President Yuan. There were obstacles to the progress of the Society: according to a report quoted in the
17- PEKING GAZETTE of August 23rd (of which a copy is enclosed), the President in conversation with the Secretary of State, on August 19th, discreetly countenanced the movement by declaring,

> "If a few short-sighted people attempt to compel me to adopt an unrighteous course I shall have no alternative but to take refuge in a foreign land, as I cannot break my solemn oath";

and about the same time there was talk of an impeachment to be lodged against its members by the Censorate, on the ground of their indulging in a movement subversive of the existing government; but the Chief Censor had found it expedient to get to one of the foreign concessions in Tientsin before it was even known to the general public that this suggestion had originated with him.

It has now appeared that back of all this rather puerile agitation on the part of the Ch'ou An Hui, there has been the substantial fact that the President himself, his eldest son, Yuan K'o-ting, and the most powerful civil official in China, Liang Shih-yi, and the most influential military leader, Feng Kuo-chang, have planned and worked for the reinstitution of a monarchical régime with President Yuan as Emperor. That is a fact which, for my own part, I must acknowledge having doubted per-

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haps longer than the evidence warranted: it has now been made indubitable, not only by the indirect testimony of colleagues and press correspondents and other unofficial sources of information, but also by the direct statements of certain Cabinet Ministers, who have discussed the matter with the President and learned his views authoritatively and at first-hand. As I reported in my telegram of September 4, 12:00 p.m., the majority of the Cabinet and of the other officials of greatest influence are (or have been) in favor of the movement. I enclose, as
18- one piece of evidence to this effect, a copy of a confidential memorandum by the Commercial Attaché of the Legation, Mr. J. H. Arnold, reporting certain comments on this subject which Mr. Chou Tsz-ch'i, the Minister of Agriculture & Commerce, took occasion to make to him in the course of a conversation on industrial matters.

The attitude of opposition adopted by the Vice-President was reported in my telegram of September 2, 6:00 p.m. In further reference thereto, I enclose a
19- clipping from the PEKING GAZETTE of the 6th instant. His consenting to preside over yesterday's meeting of the
20- Council of State (as reported in the enclosed clippings
21- from the PEKING GAZETTE of today) may be construed either as meaning that he has been won over by some means, in spite of his scruples, or that those scruples have been banished by the conviction that the course which the President is planning to follow will take due account alike of the feeling of the country and of the forms of constitutionality. On this point, however, I am as yet without information.

Without

Without being able to vouch for the truth of the report, I have to add in this connection that the Minister of War, General Tuan Chi-jui, has been conventionally ill and anxious to resign, for a couple of months, because he has not sympathised with the monarchistic movement, and that the acceptance of his resignation, about a week ago, was due to the President's final conviction of his irreconcilability, and that in the meantime the devotion of a faithful cook saved him from being poisoned. With equal diffidence I have to report that it is semi-confidentially stated by those in a position to know, that the Minister of Education, T'ang Hua-lung, has been trying to resign, but has been warned that he could scarcely expect to survive for long a retirement which would cause the administration a certain inconvenience at the present juncture.

On the evening of Saturday, the 4th instant, however, as I had occasion to report in my telegram of that date, one of the Cabinet Ministers who called to see Dr. Tenney and myself on another matter took occasion to say that he had that morning conferred with the President in reference to the plans for the reestablishment of a monarchy; and that, whereas President Yuan had up to a few days previously been whole-heartedly in favor of forcing the movement through without delay, he was now"much less enthusiastic", and determined to proceed if at all only with the utmost circumspection. My informant went on to say that the reason for this change was doubtless the apprehension that the foreign Powers might withhold their recognition of the new Government, and that Japan, particularly,

ticularly, might exact terms in consideration of its recognition of the new order. He then offered the naïve surmise that perhaps this difficulty might be avoided by simply announcing that the appropriate law-making body of China had determined to confer upon the President the title of Emperor, and that at some convenient time thereafter the Constitution might, as a matter of purely domestic concern, be so amended as to make the presidency hereditary.

Fantastic as these suggestions sound, they seem to accord with the present attitude of those in authority. It appears that the Chinese official mind accepts, without any sense of anomaly, the idea of a hereditary presidency as forming the happiest possible solution of the problem of the succession, which has been brought so persistently to public notice by the propaganda of the Ch'ou An Hui.

It would seem that by the mere fact of having created a general impression that something in the present system of government requires modification, that Society has now exhausted its usefulness to the purpose in view, and its activities will probably be allowed to dwindle. So nearly as can be judged from the reports as to the present mood of the President, and from the message (of which a
21- translation as printed in today's GAZETTE is enclosed herewith) which was communicated by him yesterday to the Council of State (Tsan Cheng Yuan), sitting as a legislative body pending the establishment of the Li Fa Yuan, the present intention is not to establish the new régime by a <u>coup d'état</u>, as a few days ago seemed likely, but to leave the matter for decision and adjustment by processes

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at least superficially constitutional.

Concerning the attitude of the Chinese people towards the contemplated change, it is still too early to generalize with assurance. It would be naive to take without disqount the expressions of approval which have been telegraphed, in really considerable volume, by the provincial authorities and by popular bodies of all sorts in the provinces, in reply to the circular of the Ch'en An Hui: their spontaneity is more than questionable; and in the great majority of cases they must be assumed to represent not a conviction that the monarchical system is the best for the country, but a calculation that that system is the more likely to prevail. It should be noted, however, that among the younger officials — the foreign-educated class, which has hitherto been more or less directly associated with the republican movement, — there has been observable an unmistakable tendency to regard with sympathy, if not with active approval, the idea of reversion to a monarchy. On the other hand, such opposition as has thus far appeared has seemed to be wholly academic and forensic, giving no evidence of any likelihood of serious resistance. There is of course a considerable revolutionary element which may be expected to take what advantage it can of the discontent which such action would cause: but among both foreign and Chinese observers it seems generally to be believed that the Government has the situation well enough in hand to assure that no revolutionary movement is likely to gain headway or to pass beyond the stage of mere local disturbances — unless abetted and assisted by Japan. The great bulk of the people may, I believe, be

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assumed to be indifferent to the question of the form of government so long as it does not undertake to govern them too rigorously or tax them too much.

With a view to learning the character and effects of the monarchical movement in the provinces, the Legation on August 25th despatched to the Consuls a circular (of
22- which a copy is enclosed) directing them to report on the subject. Replies have thus far been received, as follows:

23- Antung, No. ---, August 30th;
24- Hankow, " -75, September 4th;
25- Mukden, " -90, August 31st;
26- Nanking, " -30, September 1st; and
27- Shanghai, " 582, " 3rd.

In order to put the Department in possession of all available information at as early a date as possible, I forward copies of these reports without waiting to coordinate them with those which are still to be received.

It has proved difficult to learn with accuracy the views of the several other Legations here. In general, I think it may be said that they regard the contemplated change in the form of government without particular concern, feeling their policies wholly unaffected by it unless in the event that it should lead to disorders detrimental to trade and jeopardizing foreign interests: for the rest, the general feeling is that if the Chinese find it possible to reinstitute their traditional form of government, without bringing on revolution or bankruptcy or foreign intervention, so much the better. But opinions differ as to the feasibility of bringing about the change without those consequences. I have reason to believe that Sir John Jordan has taken occasion to advise, of course wholly unofficially and in his private capacity, that the present situation seems highly inopportune for

such

such action: and I have just now been informed from what is doubtless a reliable source that three others of the foreign ministers have offered similar personal advice to the Chinese officials with whom they are in closest relations. The German Minister yesterday discussed the matter with me confidentially, and indicated the view that the whole movement is a matter of prearrangement with Japan, which stands to profit alike by the disorders to which it may give rise, and by the fact of having assisted in the foundation of a new dynasty — that it was all concerted before or at the time the notorious demands were presented to the President, on January 18th last, and that the demands themselves and the various forms of agitation arising out of them were all parts of an elaborate farce concealing from the Chinese public and from the world the existence of a bargain by which Japan would receive a preponderant influence in Chinese affairs in return for its support of President Yuan's aspirations for the throne. This hypothesis is interesting, but I have not thus far received any information tending to confirm it.

I have the honor to be, Sir,

Your obedient servant,

J. V. A. MACMURRAY.

Enclosures;
As stated.

800.

A true copy of the signed original.

the American Legation at Peking.

THE PRESIDENT AND A MONARCHY

GENERAL FENG KUO-CHANG'S AUDIENCE WITH THE PRESIDENT.

Baseless Rumours Exploded.

According to the *Yahsiya Pao*, at a recent audience granted by the President, General Feng Kuo-chang, the Chiang Chun of Kiangsu, hinted at the rumours, which originated in Japan and have been repeated by a certain section of the foreign press in this country, regarding the President's alleged intention to change the republican form of Government. To this the President is reported to have made the following reply:—

ORIGIN OF THE RUMOURS.

"The rumours respecting my intention to change the present form of Government have also reached my ears. Some say that it is I who desire to bring about such a change, while others attribute it to the wish of my son, Yuan Koh-ting, but nothing is further from the truth than these rumours. I know there are a number of causes which have given rise to such unfounded rumours.

"Firstly, in the year of Hsin-hai (1911) when I was engaged in setting up the republic, I used to express my doubts as to the advisability of adopting a republican form of Government for this country, for I believe that historical precedents, the intelligence of the people and the indigenous institutions of this country are quite different from those of France and America. This may probably be one of the causes which have been responsible for the world's misunderstanding of my intention.

REVIVAL OF THE NOBILITY.

"Secondly, the proposal for the restoration of the ranks of nobility has also something to do with these rumours. It is generally believed that the revival of nobility is a forerunner of an approaching change in the form of Government, but nothing of the sort is true. Under a republican form of government, equality is the watchword of the country. Now look into the official system of this country. The Mongols, Manchus and Mohammedans are entitled to receive titles of nobility from the Government, while the Hans (Chinese) are prohibited from enjoying such a privilege; that is inequality. Now since the Provisional Constitution provides that the President shall have the power to confer titles of nobility on any person rendering worthy services to the Government, why should I refrain from granting such titles to Chinese officials, who deserve such honours. I have long resolved to revive this system, but in view of the misunderstanding of the public, which may possibly be engendered by the adoption of such a measure, I have temporarily postponed its adoption; but sooner or later must carry it out in accordance with the provisions of the Provisional Constitution and hope the public will not again misunderstand my idea.

HIS POWERS AS PRESIDENT.

"Considering the scope of the power which I am wielding over the various branches of administration of the Government, even a monarch cannot surpass it. If I were to restore the monarchical form of government and place myself upon the throne, I could scarcely expect to derive more power from my new position than at present. The advantage which is generally supposed to be attached to a monarch is that he can hand down his throne to succeeding generations; but it is not the case with me. My eldest son, Koh-ting, is an invalid; my second son, Koh-wen is only ambitious to become a well-known scholar and I doubt whether my third son is a man fit for worldly affairs. As to the rest of my sons they have not yet reached man's estate. To tell you the truth, I hardly think that any of my sons is competent even for the post of a Non-Commissioned Officer. This being the case, how shall I entrust the weighty responsibility of the country to any of my sons.

"Look back into the history of this country and you will find that when the throne became hereditary, the descendants of the all-powerful monarchs, after a few generations, often suffered unspeakable woe and distress. Why should I be so cruel as to bring such perils and calamities upon my descendants?"

At this point the President was interrupted by General Feng Kuo-chang who said that in the South the people do not show any opposition to the rumoured change of the form of government, but they think that it is too early to talk about it. In the future, continued General Feng, when the country recovers its strength through the able administration of the President, he felt sure that both the people and the will of Heaven will desire to see a monarch ruling over this country and by that time the President, though he may strongly dislike to be fettered by a throne, would scarcely be able to escape from occupying it.

THE PRESIDENT'S BONA FIDES.

At this, the countenance of the President suddenly assumed a stern aspect and he said to the General in a heightened voice: "According to what you say, you seem still to believe that I am entertaining such an intention. To assure you, when my sons were studying in England, I ordered them to purchase a small estate in that country. In the future should the people compel me to accept the sceptre of a monarch, I would rather leave the country and spend the remaining days of my life abroad."

Enclosure No. 2 in Despatch No. 747
7 SEP 1915, 191 , from
the American Legation at Peking.

REPUBLIC OR MONARCHY?

PEKING DAILY NEWS, August 30th, 1915.

FULL TEXT OF DR. GOODNOW'S MEMORANDUM TO THE PRESIDENT.

The question of the moment, whether China should have a republican or a monarchical form of government, blazed into greater publicity yesterday by the publication in the local press of the text of Dr. Goodnow's memorandum to President Yuan Shih-kai, distorted quotations from which had previously appeared.

We have secured an authoritative English copy of the memorandum, which is herewith reproduced.

MONARCHIES ORIGINATE WITH ONE MAN.

The determination in a given country of the form of government established therein has seldom if ever been the result of the conscious choice of the people of that country or even of the choice of its most intelligent classes. The establishment on the one hand of a monarchy or on the other hand of a republic has in almost all instances been due to influences almost beyond human control. The former history of the country, its traditions, its social and economic conditions all have either favoured the form of government which has been adopted or, if even the form of government at first adopted has not been in harmony therewith, have soon brought it about that that form is replaced by one which is better suited to the country's needs.

In other words, the form of government which a country usually possesses is for the most part determined by the necessities of practical life. Among the contributing causes which fix forms of government, one of the most important is force. Almost all monarchies thus owe their origin in last analysis to the exertions of some one man who has been able to organise the material power of the country in such a way as to overcome all competitors. If he has able sons or male relatives, if he has ruled wisely and if the conditions of the country have been such as to favour monarchical rule, he may be able to establish a dynasty which will during a long period successfully govern the country.

Under such conditions one of the most perplexing problems of government is probably more satisfactorily solved than has usually been the case in republics. For on the death of the monarch there is no question as to the succession to the executive power. No election or other method of choosing a successer is necessary. As the English law expresses it: "The King is dead, Long live the King." In order however, that the desired result may be attained, it is absolutely necessary that the law of succession be clearly determined and practically universally accepted. Else the death of the monarch will bring into being numerous aspirants for the throne whose conflicting claims can be adjudicated only by resort to civil war.

History would seem to prove, furthermore, that the only permanently satisfactory solution of the question of succession in monarchical states is that which has been reached by the states of Europe. This consists in fixing the succession to the throne upon the eldest son of the monarch or in default of sons, upon the nearest eldest male relative. Under this method he who is by the law of succession entitled to the throne is permitted to waive his rights, in which case, if it is the eldest son who has so waived his rights, the next eldest son takes his place.

If some such method of fixing the succession is not adopted, if for example the succession to the throne is left to the determination of the monarch who may choose as his successor a son not the eldest or some other relative not the nearest eldest male relative the uncertainty as to the succession is almost certain to produce trouble. Palace intrigues in favour of the various claimants to the throne are sure to develop which both embitter the closing days of the monarch's life and often lead to confusion if not civil war after his death.

The advantages which history would seem to show are attendant upon a monarchy as compared with a republic, so far as concerns this important question of succession to the executive power, are thus, it would seem, conditioned very largely upon the adoption of that law of succession which experience has shown to be the best, viz: succession in the eldest nearest male line.

EUROPEAN REPUBLICS.

Until recently the accepted form of government both in Asia and Europe was monarchical. It is true that in Europe, contrary to the usual rule there were a few republics such as Venice and Switzerland. But the states possessing a Republican Government were few in number and small in size. In almost all the important states of the world the government was monarchical in character.

Within the last hundred and fifty years, however, there is noticeable among European peoples a distinct movement away from monarchical and in favour of Republican Government. The first attempt to establish Republican Government in any of the large

republican system was made in England in the 17th century. After a successful revolution Charles I, the English King was tried by [illegible], convicted of treason and executed. A republic, the so-called "Commonwealth," was established with Oliver Cromwell as "Protector" or President. Cromwell obtained his power, as a result of his control of the revolutionary army which had defeated the forces of the crown.

This early English republic lasted only a few years and fell as a result of the difficulties attendant upon the question of the succession to the Protectorate which arose on Cromwell's death. Cromwell had attempted to place his son Richard in the position left vacant by his death. But either because the English people were not suited to a republic or because Richard Cromwell did not have the characteristics requisite of the possessor of executive power, this attempt to continue the English republic was a failure, and England abandoned the republican and re-established the monarchical form of government. Charles II, the son of the executed Charles I, was put upon the throne, largely as the result of the support of the army but with the almost universal approval of the English people.

The next attempt to form a republic among European peoples was made after the American revolution at the end of the 18th century when the United States of America was formed. The American revolution was due not so much to an attempt to overthrow monarchical government as to a desire upon the part of the English colonies in America to obtain their independence of England. The success of this revolution brought, however, in its train, almost necessarily, the establishment of republican government. There was no royal family left in the country to which its government might be entrusted. There was, furthermore, in the country a distinct sentiment in favor of a republic due in large measure to the fact that quite a large number of those who had participated in the establishment of the ill fated English republic in the preceding century had come to America and had exerted even after their death an influence in favor of republican institutions.

It is, however, possible that George Washington, who had led the American armies during the revolution, might have if he had been so inclined, established himself as king. He was, however, in principle a republican rather than a monarchist. He furthermore had no son who, had he been crowned king, could have succeeded him.

The result was that, when the United States obtained its independence, it definitely adopted the republican form of government which has lasted during a century and a quarter. The unquestioned success which has attended the United States during most of its existence has done much to give to the republican form of government the prestige which it now possesses. It is well, however, to remember that the United States inherited from England the principles of constitutional and parliamentary government and that these principles had been applied in America for a century or more before the republic was established. The change from the form of government which was in force during the colonial period to the republic adopted in 1789 was not therefore anything in the nature of a change from autocracy to a republic. Such change as was made had been preceded by a long period of preparation and discipline in self-government. Furthermore, the American people even of that day possessed a high grade of general intelligence, owing to the attention which had from the very beginning of American history been given to the common schools where almost every child could learn at any time to read and write.

The establishment of the American Republic was followed almost immediately by the formation of the French Republic. The government of France prior to the declaration of the republic had been autocratic. Almost all public powers were centered in the crown and the people participated hardly at all in the administration. The French people had thus had little experience in self-government and were therefore unable to carry on successfully the republic which they endeavored to establish. Periods of disorder followed by military dictatorships followed in rapid succession. The monarchy was restored after the fall of Napoleon largely as the result of foreign intervention. A revolution in 1830 brought into being a more liberal monarchy. This was overthrown by a revolution in 1848, when a republic was again established. The President of this Republic, the nephew of the great Napoleon, overthrew it and declared himself Emperor. After the Franco-Prussian war in 1870, he was deposed and the present French Republic came into being. This republic has now lasted nearly half a century and gives every evidence of permanence.

It is well to remember, however, that the present permanence of republican institutions in France was secured only after nearly a century of political change, if not disorder, and that during that century serious attempts had been made both to give the people generally that education upon which intelligent political action must be based and to accustom them by participation in public affairs to the exercise of powers of self government.

The French, like the Americans, would appear to have solved successfully the most difficult problems in republican government, that is the succession to the executive power. In France the President is elected by the legislature. In the United States he is elected by the people. In both France and the United States the people have had long experience in self government through participation in public affairs, while in both countries, during the past half century particularly, great attention has been paid to their general education through schools in many cases supported by the government. The result is that the grade of intelligence of

THE LATIN REPUBLICS.

The examples given in the latter part of the 18th century by the United States and France were very largely followed in South and Central America at the time the former Spanish colonies in this part of the world achieved their independence. As was the case in the United States when it became its independence a republic seemed the only practicable form of government which could then be adopted. There was no royal family to which the people might look for guidance.

The success which had been attendant upon the establishment of a republic in North America had caused the belief to be entertained by many thinkers, both that a republic was the best form of government and that its establishment and maintenance were possible under all conditions and among all peoples. Republics were therefore established almost everywhere throughout South and Central America. But, either because of the disorders which were incident to the long struggle for independence or because of the difficulties inherent in a republican form of government among a low grade of intelligence, due to the lack of general education, and accustomed only to autocratic rule, the South and Central American republics have not been generally successful. For years after the independence of the Spanish colonies was achieved South and Central America was the scene of continual disorder, incident for the most part to the struggles of military leaders for political power. At times there were periods of comparative peace due to the success of some extraordinarily strong man who was able to seize and keep in his hands political power. Little if any attempt was for a long time made by any of those who obtained political power to educate the people generally through the establishment of schools or to aid them in the acquisition of political experience by according them participation in the government. The result was that when the strong hand which controlled the country was relaxed, owing either to the increasing age or death of him who possessed political power, disorder again appeared due to the struggles of the claimants for the political succession—since no satisfactory solution of the question of succession was reached. Whatever progress the country had been able to make during its period of peace was arrested and not infrequently the anarachy and chaos which followed caused a serious deterioration in the economic and social conditions of the country.

What has happend in Mexico recently has too often been the lot of the Central and South American States under a republican form of government not suited to their stage of economic and political development. Under the government of Diaz, who acquired political power through his control of the army, it seemed as if Mexico has successfully solved the problem of government. Diaz, however, did little for the education of the people and discouraged rather than encouraged their participation in the government. When increasing age caused him to relax his control revolution broke out again and he fell from power. Since his loss of power the country has been devastated by the contending armies of rival leaders, and at present it would seem that its salvation is possible only as the result of foreign intervention.

It is of course true that in some of the South American countries progress is apparently being made in solving the problems of republican government. Such countries are particularly Argentine, Chile, and Brazil. In both Argentine and Chile a long period of disorder and disturbance has been followed by a comparatively long period of peace. In Brazil the establishment of the republic, about twenty-five years ago, was accompanied by little trouble and the subsequent life of the republic has been a peaceful one. In all three countries considerable progress has been made in the establishment of constitutional government, in Argentine and Chile as one of the results of the struggles of the early part of the nineteenth century, in Brazil partly at any rate, during the Empire which preceded the present republic, and which encouraged the participation of the people in the government of the country.

LESSONS FROM REPUBLICAN EXPERIENCE.

The experience of the South and Central American countries would seem to inculcate the same lessons which may be derived from the experience of the United States and France. That is:

1st—That the difficult problem of succession to executive power in a republic may be solved by a people which has a high general intelligence due to the existence of schools where general education may be obtained and which has learned to exercise political power through participation in the affairs of government; and

2nd—That little hope may be entertained of the successful solution of the question of Presidential succession in a country where the intelligence of the people is not high and where the people do not acquire political wisdom by sharing in the exercise of political power under some form of constitutional government. Where such conditions do not exist, a republican form of government—that is a government in which the executive is not hereditary—generally leads to the worst possible form of government, namely, that of the military dictator. The best that can be hoped for under such a system is periods of peace alternating with periods of disorder during which the rival claimants for political power are striving among themselves for the control of the government.

GREAT POWERS WILL NOT PERMIT DISORDER.

At the present time, it may further be remarked, it is very doubtful whether the great powers of the European world will permit the government of the military dictator permanently to exist, if it ecntinues to be accompanied by the disorder which has been its incident in the past. The economic interests of the European world have grown

...European capital ... and industrial ... have become so wide in their ... that the governments of the ... countries interested, although ... what may be the form of government ad... by the nations with which they deal, are ... and more inclined to insist, where they have the power, that conditions of peace shall be maintained in order that they may receive what they consider to be the proper returns on their investments. This insistence they are more and more liable to carry to the point of actual destruction of the political independence of offending nations and of direct administration of their government if this is necessary to the attainment of the ends desired.

It is therefore becoming less and less likely that countries will be permitted in the future to work out their own salvation through disorder and revolution, as may have been the case during the past century with some of the South American countries. Under modern conditions countries must devise some method of government under which peace will be maintained or they will have to submit to foreign control.

CHINA'S NEEDS CONSIDERED.

The question naturally presents itself: How do these considerations affect the present political situation of China?

China is a country which has for centuries been accustomed to autocratic rule. The intelligence of the great mass of its people is not high owing to the lack of schools. The Chinese have never been accorded much participation in the work of government. The result is that the political capacity of the Chinese people is not large. The change from autocratic to republican government made four years ago was too violent to permit the entertainment of any very strong hopes of its immediate success. Had the Tsing dynasty not been an alien rule which it had long been the wish of the Chinese people to overthrow, there can be little doubt that it would have been better to retain the dynasty in power and gradually to introduce constitutional government in accordance with the plans outlined by the commission appointed for this purpose. But the hatred of alien rule made this impossible and the establishment of a republic seemed at the time of the overthrow of the Manchus to be the only alternative available.

It cannot, therefore, be doubted that China has during the last few years been attempting to introduce constitutional government under less favorable auspices than would have been the case had there been a royal family present which the people regarded with respect and to which they were loyal. The great problem of the Presidential succession would seem still to be unsolved. The present arrangement cannot be regarded as satisfactory. When the present President lays down the cares of office there is great danger that the difficulties which are usually incident to the succession in countries conditioned as is China will present themselves. The attempt to solve these difficulties may lead to disorders which if long continued may seriously imperil the independence of the country.

What under these conditions should be the attitude of those who have the welfare of China at heart? Should they advocate the continuance of the Republic or should they propose the establishment of a monarchy?

These are difficult questions to answer. It is of course not susceptible of doubt that a monarchy is better suited than a republic to China. China's history and traditions, her social and economic conditions, her relations with foreign powers all make it probable that the country would develop that constitutional government which it must develop if it is to preserve its independence as a state, more easily as a monarchy than as a republic.

But it is to be remembered that the change from a republic to a monarchy can be successfully made only on the conditions

1st. That the change does not meet with such opposition either on the part of the Chinese people or of foreign powers as will lead to the recurrence of the disorders which the present republican government has successfully put down. The present peaceful conditions of the country should on no account be imperilled.

2nd. The change from republic to monarchy would be of little avail if the law of succession is not so fixed that there will be no doubt as to the successor. The succession should not be left to the Crown to determine for the reasons which have already been set forth at length. It is probably of course true that the authority of an emperor would be more respected than the authority of a president. The people have been accustomed to an emperor. They hardly know what a President is. At the same time it would seem doubtful if the increase of authority resulting from the change from President to Emperor would be sufficient to justify the change, if the question of the succession were not so securely fixed as to permit of no doubt. For this is the one greatest advantage of the monarchy over the republic.

3rd.—In the third place it is very doubtful whether the change from republic to monarchy would be of any lasting benefit to China, if provision is not made for the development under the monarchy of the form of constitutional government. If China is to take her proper place among nations greater patriotism must be developed among the people and the government must increase in strength in order to resist foreign aggression. Her people will never develop the necessary patriotism unless they are given greater participation in the government than they have had in the past. The government never will acquire the necessary strength unless it has the cordial support of the people. This it will not have unless again the people feel that they have a part in the government. They must in some way be brought to think of the government as an organization which is trying to benefit them and over whose actions they exercise some control.

Whether the conditions which have been set forth as necessary for such a change from republic to monarchy as has been suggested are present, must of course be determined by those who both know the country and are responsible for its future development. [illegible] conditions are present it would seem [illegible] doubt that the change would be of benefit to the country.

(Signed) FRANK J. GOODNOW.

DR. GOODNOW REPORTED INSANE.

The Form of Government That Suits China.

ADVOCATES RETURN TO MONARCHY.

The *Kuo Hsu Pao* in a leading article entitled "A new study of politics" has some curious things to say respecting the form of Government best suited to China's needs. Referring to Dr. Goodnow, who is reported to view that "a monarchical system of government is better than a republican system." We translate the following passage referring to Dr. Goodnow's alleged opinion:—

"Dr. Goodnow is an American. But his view on the form of government is to the effect that the greatest evil to a republican country is to the change of the chief executive. Often the whole of the political situation of a country is shaken thereby. Such a description is almost a picture of the political condition in America. But such a situation is not true of America alone. It is a common occurrence in politics. Dr. Goodnow, being an American and looking at the political situation of our country from the standpoint of a republican citizen, says that, hereafter, anything going to hurt a man in China capable of taking the place of President Yuan, This is certainly a most difficult problem for China to solve in future. The slightest mistake may bring about the dismemberment of the nation. Dr. Goodnow's bold assertion is that "a monarchical system of government is better than a republican system." Dr. Goodnow may have had in his mind the example of Mexico when he made this statement. As he is a citizen of a republic he should appreciate better than others the pros and cons of a republican government. Yet this is what he has told us. Taking the case of Mexico as our object lesson and viewing the future of our country, we tremble in fear. Such pessimism, however, is in direct opposition with the situation and tendencies of a nation. In the same sense Dr. Goodnow has said that it would be impossible to compel China to follow the footsteps of the United States of America. His opinion is of great value to us when meditating upon the political situation. We should all the more value his opinion if we consider the state as the most important factor."

ANOTHER ADVOCATE.

In this connexion it may be interesting to note that the *Yahsiya Jihpao*, which is extending its activities to Shanghai with the support of a certain number of high officials in Peking, has also published an article on the same subject, criticising the comments of a certain paper regarding the views of Professor Goodnow. According to the *Yahsiya Jihpao* the patriotism of the people of a nation does not depend upon the fact of a country being a monarchy or a republic, quoting the case of Germany and Japan as

7 SEP 1915 from

THE SOCIETY FOR PEACE.

CHOU AN HUI

Promoters Favour a Monarchy

DR. F. J. GOODNOW'S SUPPORT CITED.

A number of prominent officials, including Messrs. Yang Tu, Sun Yu-yun, Yen Fu, General Li Shi-ho and others have promoted a society called the 安會 Chou An Hui, or the Society for Peace. The following is a translation of the manifesto :—

"During the Revolution of 1911 the racial prejudices of our people were so aroused that their attention was entirely concentrated on the removal of a certain section of the population and they did not give the least consideration to the future political affairs of the country. They hastily adopted the republican form of government without weighing carefully its suitability for this country. When a proposal to this effect was made by a few people, others followed blindly without further questioning its advisability. A far-sighted people at that time foresaw the danger and trouble in the future of the country, but to prevent discussion and other troubles, which would have further endangered the existence of the country, were compelled to accept this proposal though reluctantly. Since the abdication of the Tsing Imperial House, followed by a period of anarchy, the system of the provisional government and finally the establishment of the present government there have been numerous crises in the Government and many unspeakable sufferings of the people which are still fresh in the memory of every class of our people. If a proper measure is not devised to remedy the situation, there will be endless trouble in this country.

FEARFUL EXAMPLES.

In such countries as Argentine, Peru, Chile and other Republics in South and Central America, party feuds have been the order of the day, and such quarrels frequently cultiminated in civil war. In Portugal the recent change of Government from a Monarchy to a Republic has been immediately followed by deadly internecine strife and the worse case of all is in Mexico. Since the abdication of Diaz, that country has been seething with civil strife till the present day. Their party leaders have struggled for supremacy with one another with military force. When they win they occupy the land and when they are defeated they never scruple to commit looting, incendiarism and massacre. Finally the whole nation is divided into five camps with as many Presidents, and the country is practically in a state of anarchy. As we are a newly established Republic, we should take Mexico as our object lesson.

DR. GOODNOW'S OPINION QUOTED.

The United States of America is the senior Republic of the world and her great student of politics, Dr. Goodnow, has stated that a Monarchy is a better form of government than Republicanism and according to his opinion, a monarchical form of government is most indispensable at present for China. This view has been shared by not a few notable scholars of other countries. As Dr. Goodnow is a citizen of a Republic, he is more competent to make such a statement than others. His words are, "the conditions are different in China and America and it is impossible to transplant one system from one country to another." If foreigners who are in sympathy with China have so openly and loudly laid before us their unprejudiced views, can we people of China leave everything to them, raising not a hand to find a fundamental solution for this important problem? Where is your patriotism? Where is your duty as a citizen to the country, if you, for fear of adverse criticism or other dangers, remain silent and indecisive?

TO SAVE THE COUNTRY.

As we are the people of this country, the prosperity or decline of this country is nothing less than the prosperity or decline of ourselves. Therefore we cannot bear to be silent and see the country being obliterated out of existence without making any attempt to save it. We have therefore gathered a number of our sympathisers and formed this society with a view to devising means for keeping peace in this country. We shall each give our views concerning the future of our country and the advantages and disadvantages accruing from the republican form of government for general discussion. There are not a few wise and far-sighted people in this country, and if they are kind enough to condescend to join us in the discussion of these points, we shall extend them our heartiest welcome." Promoters—Yang Tu, Sun Yu-yun, Yen Fuh, Liu Shih-pei, Li Shi-ho, Hu Ying.

A GRAVE QUESTION.

In another column on this page we publish a translation of the manifesto issued by a new society, formed for the purpose of propagating ideas in absolute conflict with the system of government which the revolutionary forces of 1911 established in China. The promoters of the *Chou An Hui* or Society for Peace, as the newly formed body is called, appear to share the views expressed by the *Kuo Hsu Pao* in a leading article which we reproduced in our columns last Saturday. The peasant advocates of a monarchical restoration in China seem mainly to rest the validity of their contention on an alleged dictum which is attributed to Dr. Frank J. Goodnow, Constitutional Adviser to the President. The latter is said to be responsible for the highly disputable thesis that "a monarchical system of government is better than a republican system," and for the exceedingly grave expression of opinion that a "monarchical form of government is most indispensable at present for China. It is not in the least uncertain that the political group which is beginning to claim, as a matter of practical politics, the reinstitution of an imperial regime in China is relying on Dr. Goodnow's alleged dictum for the intellectual sanction to the *coup d'etat* involved in their demand. We do not propose to examine the merits of this dictum, as we are not aware that it is the veritable thought of an American mind. But we have to point out that, while we do not look upon the Nanking settlement of the great transaction of 1911 in the sense of a political postulate, there is the possibility of not a little danger lurking in any rash disturbance of a system in which the terms of a real national settlement were worked out and under which the President has been able to give the nation peace and stability and the promise of a rich future if only the errors and mistakes of the Manchus are not repeated.

It is necessary to say and to emphasise the point that we do not at all commit ourselves to an absolute affirmation regarding the necessity of republican government in China. Such a view might be a necessary political postulate in the United States; because, rightly or wrongly, Americans regard a republican form of government as a condition of their political and social welfare, and a variety of reasons embedded in race and history seem to justify or at least explain the faith that is in them. Here in China there is hardly a sufficient reason that may be suggested, in a sense of intellectual honesty and reality, as justifying such a view in relation to this country. The Republic is still in process of demonstration and not as yet a political postulate, i.e. a thing that is outside the ambit of debate and argument. But what is certainly a postulate and a condition of national life is that no constitutional change or settlement is right which is likely to shatter or endanger the political and social unity of the country. On this ground it is the easiest thing to conceive the existence or the emergence of conditions which may render a monarchical regime in China a necessity and a condition of national welfare, assuming that the dictum assigned to Dr. Goodnow is a thing of his [illegible] not be the slightest difficulty in the normal mind in realising the ultimate origin of the [illegible] the same can be said of the conditions in China which [illegible] in conflict with the [illegible] tlement of 1911. It is not [illegible] say that the conditions [illegible] which would falsify the assumption that the dictum attributed to Dr. Goodnow is less a reasoned conclusion than a dangerous begging of the question at issue.

We venture to suggest for the consideration of the "Society for Peace" the necessity of envisaging this grave question from the double view of internal peace and foreign opinion and possible action. It is not to be doubted that if the honourable men who are associated with the *Chou An Hui* were convinced that a monarchical restoration in China would cut at the very roots of internal peace and order in the country and expose us to the not improbable application of the Japanese doctrine of political tutelage, they would be the first of our sagacious patriots to condemn the great change that is now the object of their policy. And knowing the country as they must do, is there any reason to believe that the extinction of the Republic on the morrow of the Japanese coup, with all its brutality and humiliation and the sinister rumours as to its origin, would not stir the country—particularly the South—in ways that might prove disastrous and fatal to a "strong and united China?" And then what about the promise which we as a nation have made to America and the other Great Powers of the world? We have

country—particularly the South—in ways that might prove disastrous and fatal to a "strong and united China?" And then what about the promise which we as a nation have made to America and the other Great Powers of the world? We have declared to them that this country shall be ruled as a republic; and it is certain that, unless the mandate of the nation is clear on the subject, any reversal of that declaration will be resented by America, even though the theoretical basis of it rests on the alleged dictum of a distinguished American.

We must not be misunderstood. We hold no unalterable view respecting either a republican or a monarchical form of government in China. But we insist that, unless it is the authentic wish of the nation, it would be a supreme mistake at this moment to advocate, as the *Chou An Hui* proposes to do, the re-institution of a monarchy in our midst.

Enclosure No. 6 in Despatch No. 747

7 SEP 1915

, 191 , from

the American Legation at Peking

WEDNESDAY, AUGUST 18, 1915.

STATEMENT BY DR. GOODNOW.

The following statement of views expressed by Dr. Goodnow in an interview which we had with him yesterday, defines his attitude on the subject of a monarchical restoration in China in terms which forbid the further citation of his name in support of the thesis that a monarchical system of government is better than a republican system. It is also clear that Dr. Goodnow cannot be cited as an authority for the proposition that a monarchical form of government is most indispensable at present in China the view suggested by the "Chou An Hui" in the manifesto published in our issue last Monday. In the interests of clear thinking and of the national welfare, it is to be hoped that this exceedingly grave and important question will be discussed with care and with exact knowledge of the principles and all the facts involved, bearing in mind the possibility—if not the probability—of the proposed change resulting with disastrous effect on the foundations of the State.

Referring to the leading article which appeared in these columns on Monday, Dr. Goodnow stated that the statements attributed to him to the effect that a monarchical system of government is better than a republican system, which we had quoted from the manifesto of the newly formed *Chou An Hui* or "Society for Peace," was not a correct statement either of anything that he has said or of his views. Dr. Goodnow declared that he not only had never made such a statement but, on the contrary, he was of the opinion that no form of government could be said to be superior *under all conditions* to other forms of government. He believed that for some countries—where the conditions were favourable—a republican form of government was the best form of government. This was true of the United States and France. In these countries the grade of intelligence of the people was high, owing to the long continued existence of schools, and the people themselves had for many years participated in the work of Government and, through this participation, they had learned the lesson of self-government. On the other hand it was just as true, he thought, that a monarchy was often better suited for countries where the conditions were different from those obtaining in the United States and France.

Dr. Goodnow also expressed it as his opinion that conditions in China made difficult the orderly development of republican government because, among other things, of the general lack of knowledge of the people and their long subjection to autocratic rule. He said that from some points of view it had been unfortunate that China could not have carried further the experiment—begun by the Manchus—of developing gradually constitutional government under a monarchy, but that probably under the conditions existing after the Revolution, the establishment of a republic was inevitable.

When asked his opinion as to the expediency of re-establishing a monarchy in China in the near future he said that the change could be justified only "if stable government" under a monarchy and question of the succession to the executive power, the most dangerous question in republics, might possibly be more satisfactorily solved than was probable under the form of republican government which was likely to be established in this country. The settlement of this question had often, particularly in some of the South and Central American States, led to civil war which had as its result the worst form of government known, viz. that of the military dictator. Chinese could not afford to permit civil war or great disorder, as this would almost certainly lead to foreign intervention with the probable loss of political independence.

And, speaking slowly and with care, he added that because of these considerations, a monarchical restoration in China would be justified in his opinion, only on condition—

(a.) That the change be acceptable both to the thinking people of China and to the Foreign Powers in order that it might not meet with such opposition as would lead to disorder;

(b.) That the succession to the throne be so fixed that no doubt could arise on the death of the monarch as to who would succeed. If we might judge from European experience, the only proper method of fixing the succession was to give it to the eldest son of the monarch or in default of sons to the eldest nearest male relative;

because, among other things, of the general lack of knowledge of the people and their long subjection to autocratic rule. He said that from some points of view it had been unfortunate that China could not have carried further the experiment—begun by the Manchus—of developing gradually constitutional government under a monarchy, but that probably under the conditions existing after the Revolution, the establishment of a republic was unavoidable.

When asked his opinion as to the expediency of re-establishing a monarchy in China in the near future, he said that the change could be justified only because under a monarchy the question of the succession to the executive power, the most dangerous question in republics, might possibly be more satisfactorily solved than was probable under any sort of republican government which was likely to be established in this country. The settlement of this question had often, particularly in some of the South and Central American States, led to civil war which had as its result the worst form of government known, viz. that of the military dictator. Chinese could not afford to permit civil war or great disorder, as this would almost certainly lead to foreign intervention with the probable loss of political independance.

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(c) That the monarchy established [illegible] large powers in the Crown, would permit of the gradual development of greater popular government. The re-establishment of the former autocratic monarchy in China could not be regarded as promising any improvement over present conditions.

When asked whether these conditions could be met at present in China, Dr. Goodnow said that he did not know enough about the country or of Chinese opinion to be able to express an opinion of any value and must therefore leave that question to be answered by those who did know China's conditions and were responsible for her destinies.

Enclosure No. 1 in Despatch No. 747
7 SEP 1915, 191__, from
the American Legation at Peking.

GAZETTE. TUESDAY, AUGUST 17,

THE QUESTION OF A MONARCHY

THE PRESIDENT AND THE CHOU AN HUEI.

Freedom of Expression.

The other day, at an audience with the President, a certain high official of the Government remarked that lately a certain class of people had promoted the Chou An Hui to discuss the question of the monarchical form of Government and the latter asked the President whether the Government ought to take any steps to interfere with the movement. The President replied:—

"Within recent years although there has not been a society organised or a meeting held to discuss this question, yet such reports have so frequently reached my ears that they drew no longer attract my attention. During the outbreak of the European war, the conventional views of the whole world have undergone a great change. Party feuds of a most bloody character in Mexico have made a great impression upon the mind of both Chinese and foreigners, who now begin to pay attention to the advantages and disadvantages which will accrue from the newly established republican form of Government. Being in this position, I only care for the organisation of a republican form of Government and shall refrain from any proposal other than this.

"A few days ago, a certain doctor interviewed me and gave me an exhaustive dissertation on the advantages and disadvantages to the country, accruing from both the monarchical and republican forms of Government. I answered him that being a President of the Republic, I was not in a position to discuss these questions. The fundamental principle underlying republicanism is to collect the thoughts, ideas and the abilities of the majority of the people in order to work for the happiness and well-being of the majority of the people. Judging by this, the organisation of such a society to discuss this question is not in conflict with republican principles, then in what way can the Government interfere with them?

"On more than one occasion I have made my intention known to the public. I care neither for the sceptre of a monarch or the office of a President. The desire for a life of retirement "haunts my memory." No matter what views are entertained by those who participate in the discussion of this question, I have no cause to fear that I should be suspected by the public. Individually I have my person, my family, my estates and my relatives and what I wish is peace and happiness for them. I cannot leave them in neglect. As to the people of the country, they also have their persons, their family, their property and their relatives. It is quite reasonable for them to discuss the best method which will insure them permanent peace and happiness, as it concerns their vital interests. Moreover, this question concerns the life and death of four hundred million people, and since I have been entrusted by the people with the responsibility of the Presidential office how can I interfere with such a movement, merely for the reason that such a movement would tend to misrepresent me to the public as a person who entertains some doubtful and suspicious ambition, while in reality I have neither intention nor aspiration for the same. We may regard such a movement as a matter exclusively belonging to the learned class. If it does not tend to disturb the order of the country, there is no necessity for the Government to take measures to interfere with it.

Enclosure No. 8 in Despatch No. 747

7 SEP 1915, 191..., from the American Legation at Peking.

"THE SOCIETY FOR PEACE."

ITS PROSPECTUS AND NOTIFICATIONS.

The Chief Act Hsü of the "Society for Peace" has issued the following notification to its members:—

"The aim of this society is to make a thorough study of the suitability of either of the two forms of government—limited monarchy and republicanism—in this country. The study of this subject will be based upon scientific principles and supported by facts. This is the reason why we shall discuss the forms of government as to their suitability for this country and the [illegible] of the country. Why China has failed to maintain [illegible] republic without any other forms of government, such as constitution, etc., to keep this government political peoples? Why the Revolution of 1911 has resulted in a Republican instead of a Monarchy? Shall the adoption of [illegible] form of government [illegible] [illegible] [illegible]

Enclosure No. 9 in Despatch No. 747
7 SEP 1915
, 191 , from
the American Legation at Peking

[redacted] DAILY NEWS, August 25th. 1915.

CHOU AN HUEI'S CIRCULAR TELEGRAM.

EXPLAINING ITS OBJECTS AND REASONS FOR ITS ORGANIZATION.

The Chou an Hsei has dispatched a circular telegram to the Chiang Chuns, Governors, Lieutenant-Generals, the Chambers of Commerce and popular bodies of the provinces expressing its belief that the republican form of government is not suitable to China and explaining that the object of the society is to discuss and study the problem of the moment. The telegram reads as follows:—

During the first revolution, what the people wanted was to get rid of the Ching Dynasty, and Chinese political thinkers did not care about the form of government to supercede it. They established the Republic in a hurry, while the learned scholars knew that the republican system of government was not fit for China, but they did not insist upon the acceptance of their views in order to avert the greater calamity which might have befallen China should they have done so. Everybody knows how much he has suffered between the time of the overthrow of the Ching Government and the establishment of the Republic. The people also know in what dangerous position the country finds itself now.

Look at the republics of Peru, Argentine, Brazil, Chile, Uryguay and Venezuela in South and Central America, in which there were at first party strifes and then prolonged civil war. Portugal has recently became a republic, but she could not escape chaos and civil war. Mexico, since the resignation of Diaz, has been devastated by the contending armies of rival leaders. There have been five presidents during a short period, each of whom tried to control Mexico, but all of them failed to realize their ambition. The Mexico of to-day is on the verage of ruination.

Our republic has been newly founded and it will be well for us to profit by these warnings and became wiser.

The United States of America is a republic well governed but Dr. Goodnow, a great scholar from that country, declares that in many cases a monarchical form of government is better than a republic, and that under certain conditions China should better be ruled by a monarch. This is not only Dr. Goodnow's opinion, but the opinion of a number of well known scholars from foreign lands. As Dr. Goodnow is an American citizen, what he says must require more careful attention from our people, because he knows what he says. It is quite clear that there can be no comparison between the conditions in the Unted States of America and China, to which point the attention of our learned scholars is respectfully invited. As we are Chinese, the existence or destruction of the country means our own existence or destruction. We see the danger ahead and we point it out. We cannot hold our silence [redacted] The purpose in organizing this society is to devise means for the preservation of peace in China and discuss the question whether the monarchical form or the republican form of government better suits the need of China, from the theoratic point of view. Which boundary we will not overstep. When we [redacted] publish it.

PEKING DAILY NEWS, August 26th, 1915.

A Defence of the Monarchical Movement.

Chief Promoter of Chou An Huei is the author.

MONARCHY.

Mr. Yang Tu, chief promoter of the Chou An Huei, has written a lengthy article which is regarded as a most important contribution to the present discussion on the question of the form of government suitable for China. It is entitled "The Constitutional Monarchy is the Salvation of The country" and is a defence of the monarchical movement, which is growing in strength. The article is written in a conversational style and divided into three sections and to-day we propose to translate the first section in an abridged form but without losing the drift of Mr. Yang's argument.

Mr. Ko (or stranger): Since the establishment of the Republic four years have passed, and upon the President depends the preservation of order at home and the maintainence of prestige abroad. I suppose that after improving her internal administration for ten or twenty years, China will become a rich and prosperous country, and will be able to stand in the front rank along with western nations.

Mr. Hu: No! No! If China does not make any change in the form of government, there is no hope for her to become strong, and rich, and even there is no hope for her to have a constitutional government. I say that China is doomed to perish.

Mr. Ko: Why so?

Mr. Hu: The republican form of government is responsible for it. The Chinese people are fond of good names, but they do not care much about the real welfare. No plan can be made to save the country after the formation of the republic during the first revolution.

Mr. Ko: Why is it that there is no hope for China to become strong?

Mr. Hu: The people of a republic are accustomed to listen to the talk of equality and freedom, which must affect all political and especially military administrations. Both the military and student classes are required to lay great emphasis upon unquestionable obedience and respect for those who hold high titles. The German and Japanese troops observe strict discipline and obey the orders of their chiefs. That is why they are regarded as the best soldiers in the world. France and America are in a different position. They are rich but not strong. The sole difference is that Germany and Japan are ruled by a monarchy while France and America are republics. Our conclusion therefore is that no republic can be strong.

As the French and American people possess general education, they assume responsibility to their country for its welfare, which they keep in good order. On that account, although these republics are not strong in dealing with the Powers, they can maintain order at home. China, however, is unlike these countries, for her standard of popular education is low. Most of the Chinese soldiers frequently say: "We are eating the imperial food and we must serve the imperial master." The Imperial family has gone, and it has been substituted by an impersonal republic, of which they know nothing whatsoever. These soldiers are now law-abiding because they have awe-inspiring and respectful feelings for the man at the head of the state. But as the talk of equality and freedom has gradually influenced them, it becomes a very difficult task to control them. For instance, the commanders of the southern troops formerly had to obey their subordinate officers and the subordinate officers had to obey their soldiers. Whenever there was any important question to be discussed, the soldiers demanded their participation and their share in its solution. These soldiers were called the republican army. Although the northern troops have not become so degenerated, they never hesitate to disobey the order of their superiors when they are ordered to proceed to a certain place. We are satisfied if the republican army do not mutiny. We cannot expect any more from them if they not only do not mutiny but they can suppress internal disturbance. In the circumstances there is no use to talk about the resistance of foreign invasion by these soldiers. As China, a republic, is situated between two countries, Japan and Russia, both of which have monarchical governments, how can we resist their aggression once diplomatic conversations begin. From this it is quite evident that there is nothing which can save China from destruction. Therefore I say there is no hope for China to become strong.

Mr. Ko: Why is it that there is no hope for China to become rich?

Mr. Hu: People may not believe that while France and America are rich China will remain poor. The reason why France and America are rich is that they were allowed to work out their own salvation without foreign intervention for several tens of years, and that they were free from internal dis-

Enclosure No. 1 in Despatch No. 747
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turbance. If any nation expects to be rich, it must depend upon industries for its wealth. What industries most fear is disorder and civil war. During the last two years, order has been restored and many things have resumed their former positions, but our industrial condition is the same as in the Ching Dynasty. Those merchants who have lost their capital during the troublous time and who are poor have no way to recover their loss, while those who are rich are unwilling to invest their money in industrial undertakings, fearing that another civil war may break out at any moment, and taking the second revolution as their warning. In future, we will have disquietude every few years when the president is changed. Then our industrial and commercial condition will be in still worse condition. If our industries are not developed, how can we expect to be strong? Take Mexico as a warning. There is very little difference between that country and China, which surely cannot be compared to France and America. Therefore I say there is no hope for China to become rich.

Mr. Ko: Why is it that you say there is no hope for China to have a constitutional government?

Mr. Hu: A republic must be run by many people possessing general education, political experience and certain political morality. Its president is invested with power by the people to manage general affairs of the state. Should the people desire to elect Mr. A their president today and elect Mr. B tomorrow, it does not make much difference, for the policy of the country may be changed together with the change of the president but there will be no danger of disorder or chaos following such change. We have a different problem to solve in China. The majority of our people do not know what the republic is, nor do they know anything about the constitution and the true sense of equality and freedom. Having overthrown the monarchy and established in its place a republic they believe that from now on they are not subservient to anybody, and think they can do anything they please. The ambitious men hold that any person can be president and if they do not get the presidency through fair means of election they fight for it with the assistance of troops and tufeis. The second revolution is an illustration. Once the monarchy is deposed, the centralization of power in the government is gone, and no matter who shall be at the head of the country, he cannot restore peace except through the establishment of a monarchy. So at the time when the republic was formed, those who had advocated the constitutional government turned into monarchists. Although we have a provisional constitution now and we have all kinds of legislative organs, which give to the country an appearance of a constitutional government, China has a constitutional government in name and a monarchy in spirit. Should the government refrain from exercising the monarchical power during the last four years, the people would not have enjoyed one day of peace. In short, China's republic must be governed by a monarchy, through a constitutional government. If the constitutional government cannot govern the republic the latter cannot remain. The constitutional government thus is very important, but it takes ten or twenty years before it can be evolved.

Look at the people of China to-day. They know that something terrible is going to come, sooner or latter. They dare not think of the future. The corrupt officials fill their pocket with unrighteous money, preparing to flee to foreign countries or settlements for safety. The cautious work quietly and do not desire to earn merit but try to avoid offense. The scholars and politicians are grandiloquent and discourse upon the subject of stability, but they are no better than corrupt officials. As for the President, he can remain at the head of the state for a few years. At the most he can hold his office for several terms, or for his whole life. Then the question arises as to who should succeed him, how to elect his successor and how many people will there be and whether their policies will be different from his, etc. etc. He has no idea in regard to the solution of these questions. Even if the president is a progressive and capable man, he will not be able to make a policy for the country and fix up a constitution, which will last for a hundred years. He is finally compelled to adopt such a policy so as to maintain peace in his own country and keep the status quo as long as he lives. Such a president can be considered the best executive head we have. Those who are worshippers of the constitutional government cannot do more than he does. Here we find the reason for the silence of the advocates of the constitutional administration in former times. They have realized that by the formation of the republic the fundamental problem of the country remains unsolved.

Then the situation is something like this. When the country is governed by an able president, the people enjoy peace and prosperity. Once an incapable man assumes the presidency, chaos will become the order of the day, which will finally lead to the overthrow of the president himself and the destruction of the country. In the circumstances, how can you devise a general policy for the country which will last for a hundred years? I say that there is no hope for China to establish a truly constitutional government.

Mr. Ko: In your opinion there is no hope for China to become strong and rich or for her to have a constitutional government. She has no choice besides her ultimate disappearance. Is there no plan whereby she can be saved?

Mr. Hu: If China wants to save

herself from ultimate disappearance from the face of the earth, first of all she must get rid of the republic. Should she desire wealth and strength, she must adopt the constitutional government. Should she want the constitutional government she must establish a monarchy.

Mr. Ko: How is it that should China desire wealth and strength she must first adopt the constitutional form of government?

Mr. Hu: Wealth and strength is the object of the country, and the constitutional government is a means to accomplish this object. Able rulers could accomplish their object without a constitutional government. We refer to Emperor Wu of the Han Dynasty and Emperor Tai Chung of the Tang Dynasty. However when these able rulers die, their system of administration dies with them. This contention can be supported by numerous historical instances but suffice it to say that in China as well as in Europe, the lack of a constitutional government was the cause of the weakness of most of the nations in ancient times. Japan was never known as a strong nation until she has adopted a constitutional government. The reason is this: when there is no constitutional government, the country cannot continue to carry out its policy.

Recently there was born in Europe a constitutional form of government. The European nations adopted it, and they become strong. Soon after its adoption Japan likewise becomes strong. The most dangerous fate that can confront a nation is that after the death of an able ruler his system of administration disappears together with him, but the constitutional government is able to avert it. Take for instance William I of Germany who died but whose country continues strong and prosperous. It is because of the constitutional government. The same is true of Japan, which has adopted the constitutional government and which is becoming stronger and stronger every day. The change of her executive heads cannot affect her progress in respect of her strength. From this it is quite clear that the constitutional government is a useful instrument for building up a country. It is a government with a set of fixed laws which guard the actions of both the people and the president, none of whom can overstep the boundary as specified in the laws. No ruler, whether be he a good man or a bad man, can change one iota of the laws. The people reap the benefit in consequence. It is easy to make a country strong and rich but it is difficult to establish a constitutional government. When a constitutional government has been established, everything will take care of itself, prosperity follows naturally. The adoption of a constitutional government can be compared to the derailed train. It is hard to put the train back to the original track, but once in the track it is very easy to move the train. What we should worry is not how to make the country rich and prosperous, but how to form a genuine constitutional government. Therefore I say that if China desires to be strong and prosperous, she should, first of all, adopt the constitutional form of government.

Mr. Ko: I do not understand why is it that a monarchy should be established before the constitutional form of government can be formed?

Mr. Hu: There will be intermittent trouble if the present system continues. At every change of the president there will be riot and civil war. In order to avert this awful time, place the president in a position which is permanent, and therefore the best thing is to make him Emperor. When the bone of contention is removed the people will settle down to business and feel peace at their heart, and devote their whole energy and time to the pursuit of their vocations. It is natural that after the adoption of the monarchy they will concentrate their attention upon the securing of a constitutional government which they know is the only salvation of their country. As for the Emperor, he knows he derives his position from the change of the republic and and with the desire of pacifying the people cannot help sanctioning the formation of the constitutional form of government. This, in addition, will insure to his offsprings the continuation of the throne. Should he oppose any other course, he will be exposed to great personal danger. If he is broad-minded, he will further recognise the fact that if no constitutional form of government is introduced his policy after his death will perish. Therefore I say that before the adoption of the constitutional form of government, a monarchy should be established. William II of Germany and Emperor Meiji of Japan have tried the constitutional form of government and found it a success.

Mr. Ko: Please summarize your discussion.

Mr. Hu: In short, the country cannot be saved except through the establishment of a constitutional form of government. No constitutional government can be formed except through the establishment of a monarchy. The constitutional form of government has a set of fixed laws, and the monarchy has a certain head who cannot be changed, in which lies the source of national strength and wealth.

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A Defense of the Monarchical Movement.

Chief Promoter of Chou An Huei is the author.

[III]

The second part of the important article entitled "The Constitutional Monarchy is the Salvation of the Country" written by Mr. Yang Tu, chief promoter of the Chou An Huei, is given below. It is believed that this series will form, with Dr. Goodnow's memorandum to the President, an important contribution to the future history of the Republic.

Mr. Ko: What you have said in regard to the adoption of the constitutional monarchy as a means to save the country from dismemberment is quite true, but I would like to have your opinion on the relative advantage and disadvantage of a republic and a monarchy assuming that China adopts the monarchy.

Mr. Hu: I am only too glad to give you my humble opinion on this momentous question.

Mr. Ko: You have said that China would be devastated by contending armies of rival leaders trying to capture the presidency in future. What time will that be?

Mr. Hu: The four hundred million people of China are now relying upon the President alone for the protection of their life and property. Upon him likewise falls the burden for the preservation of peace and the balance of power in the Far East. There is no time in the history of China that the Head of the State had to assume such a heavy responsibility for the protection of life and property and for the preservation of peace in Asia, and at no time in our history was the country in greater danger than at present. China can enjoy peace as long as H. E. Yuan Shih-kai is the President, and no longer. Should anything befall the President, every business activity will at once be suspended, shops closed, disquietude prevail, people will be panic-stricken, troops become uncontrollable, and foreign cruisers enter our harbours. European and American newspapers will be full of special dispatches about the complicated events in China, and martial law will be declared in every part of the country. All this will be due to the unsettlement of the successor to the presidency.

Mr. Ko: But it is provided in the provisional constitution that a president should be selected from among the three candidates whose names are now kept in a golden case locked in a stone room. Do you think this provision is not sufficient to avert the terrible time which you have just described?

Mr. Hu: The provision, you have mentioned, is useless. Can you find any person who is able to be at the head of the state besides H. E. Yuan Shih-kai? The man who can succeed President Yuan must enjoy the implicit confidence of the people and has extended his influence all over the country and must be known both at home and abroad. He must be able to maintain order, and no matter how the constitution provides, he will be unanimously elected President. He must be able to assure himself that the other two candidates for the presidency have no hope for their success whatsoever in the presidential campaign. The provision in the constitution and the golden case in which the names of three candidates were kept and the presidential election, which you have mentioned, are nothing but nonsense. However there is no man in China who has answered the description of a suitable successor to the presidency which I have given. Here arises a difficult problem, and what has been specified in the provisional constitution is a vain attempt to solve it. It is pertinent to ask why is it that the law-makers should not have made the law in such a way that the people can exercise free choice of the presidential successor? The answer is that there is reason to fear that a bad man may be elected president through the manipulations of a masterly hand, thereby jeopardising the national welfare. This fear has influenced the constitution-makers to decide upon three candidates from among whom the president should be elected. Then it may be asked why did you not fix upon one man instead of three since you have already deprived the people of part of their freedom? The answer is: there is not a single man whose qualifications are high enough to be the successor. As it is, three candidates of equal qualifications are put up to the people for their selection. No matter how one may argue this important question from the legal point of view, there is only one reason for the decision of the law-makers in fixing upon three candidates for the presidency, that is, we do not have a suitable presidential successor. The vital question of the day is whether or not China has a suitable man to succeed President Yuan Shih-kai, settting aside all the paper talks. Whether or not

[illegible] eventual evacuation may be arranged and not in future I do not know, but I do know that the provisional constitution will eventually become ineffective.

Mr. Ko: I desire a true picture of the crisis which will likely befall China. Can you tell me anything along this line?

Mr. Hu: In a time of confusion, the soldiers play the most important part, while virtuous and experienced and learned statesmen are unable to cope with the situation. The only qualification which a leader at such a time should possess is the control of the military, and the ability to suppress the parliament. Should such a person be made the president, he cannot long hold his enviable [illegible]. It is because of the fact that he does not have sufficient influence to control the troops of the whole country. The generals of equal rank and standing will not obey each other, while the soldiers and politicians, seeing a chance in these differences for their advancement, will stir up their feelings and cause them to fight. They will fight hard among themselves. The rebels, who are now exiles in foreign lands, taking advantage of the chaos in China, will return at no time to perpetrate the worst crimes known in human history. The royalists who are in retirement will likewise come out to fish in the muddy water. Those persons who have had the qualifications of a leader will be used as tools to fight for the self-aggrandizement of the persons who use them. I do not wish to mention their names but I can safely predict that more than ten different parties will arise at the psychological moment. Men who will never be satisfied until they become president and those who know they cannot get the presidency but who are unwilling to serve others will come out one after another. Then confusion and disturbance will follow with great rapidty. Those foreign countries which entertained wild ambition, availing themselves of the distressful situation in China, will stir up ill-feelings among these parties and so increase the disturbance. When the proper times comes, various countries, unwilling to let a single country enjoy the whole privilege in China, will resort to armed intervention. In consequence the eastern problem will result in a rapture of international peace. Whether China will be turned at that time into a battleground for the Chinese people or for foreigners I cannot tell you now. It is too dreadful to think of the future, which is enshrouded in an air of mystery. However, I can tell you that the result of this awful turmoil will be either the slicing of China like a water melon or the suppression of internal trouble with foreign assistance and then dismemberment. As to the second result some explanation is necessary. After the foreign country or countries have helped us to suppress the internal disturbance, they will select a man of the type of Li Wang of Korea who betrayed his country to Japan and make him Emperor of China. Whether this man will be the deposed emperor or a member of the Imperial family or the leader of the rebel party, remains to be seen. At any event he will be a figurehead in whose hand will not be vested all the political, financial and military powers, which will be controlled by the foreigners. All the valuable mines, various kinds of industries and abundant natural resources will likewise be developed by others. China will thus disappear as a nation.

In selecting a man of the Li Wang type the foreign country will desire merely to facilitate the acquisition of China's territory. But there can be easily found such a man who bears remarkable resemblance to Li Wang and who is willing to make a treaty with the foreigners whereby he unpatriotically sells his country in exchange for a throne which he can never obtain or obtaining, keep without outside assistance. His procedure will be something like this: He will make an alliance with the foreign nation by which the latter is given the power to carry on foreign relations on behalf of his country. In the eyes of foreigners, China has been destroyed, but the people are deceived and made to believe that their country is still in existence. This is the first step. The second step will be to imitate the example of Korea and make a treaty with a certain power whereby China is annexed and the throne abolished. The imperial figurehead fixed to the foreign country where he enjoys an empty title. Should you then make him to devise means for regaining the lost territory, it will be too late. For China will have been entirely destroyed by that time. This is the second procedure in the annexation of Chinese territory. The reason why the foreign country desires to change the republic into the monarchy is to set one man on the throne and make him minister the whole process of annexation of his country, thereby simplifying the matter. When that time has come, the people will not be permitted to make any comment upon the form of government suitable for China, or upon the destruction of their country. The rebels who raised the standard of the republic have no principle, and if they now find that some other tactics will help to increase their power they will adopt these tactics. China's republic is doomed, no matter what happens. If we do not change it, others will do it for us. Should we undertake the change ourselves we can save the nation: otherwise there is no hope for China to remain a nation. It is to be regretted that our people now assume an attitude of indifference, reluctant to look forward to the future, and caring not what may happen to them and their country. They are doomed to become slaves after the loss of their national independence.

Mr. Ko: I am very much frightened by what you have said. You stated that the adoption of a constitutional monarchy can avert such a terrible consequence, but is there not likely to be disturbance during the change of the republic to monarchy, if such disturbance should always accompany the presidential election?

Mr. Hu: No comparison can be formed between these two things. There may be

[illegible] during the change of the form of government, but it will be better in comparison with the chaos that will cause day and night in the republic. There is no succession law in the country when a republic endeavors to select a presidential successor. At such a time, the ambitious try to improve their future, while the patriotic are at a loss to do anything which can maintain order. Those who are rebellious rise in revolt while those who are peace-loving are compelled by circumstances to join their rank and file. Should the form of government be transformed into a monarchical one, and should the time for the change of the head of the state come, the successor has already been prepared, which fact the people well know. Those who are patriotic will exert their utmost to preserve peace, and as a result the heir-apparent can peacefully step to the throne. There are persons who will contend for the office of the President, but not for the throne. Those who contend for the office of the President do not commit any crime. But those who try to seize the throne are rebels. Who dares to contend for the throne?

At the time of the change of the president in a republic, ambitious persons arise with the intention of capturing the honorable post, but not so when the emperor is changed. Should there be a body of persons hostile to the heir-apparent, that body must be very small. Therefore I say that enemies to the succeeding Emperor are few, while there are many to the presidential successor. That is the first difference.

Those who oppose the monarchy are republican enthusiasts or persons who desire to make use of the name of the republic for their own benefit. These persons will raise trouble even without the change of the government. They do not mind to disturb the peace of the country at the present time when the republic exists. It is almost certain that at the first unfurling of the imperial flags they will at once grasp the opportune moment and try to satiate their ambition. Should they rise in revolt at the time when the Emperor is to be changed, the government supported by the loyal statesmen and officials whose interests are bound up with the welfare of the imperial family and whose influence has spread far and wide, will be able to deal easily with any situation which may develop. Therefore I declare that the successor to the throne has more supporters while the presidental successor has less. This is the second difference between the republic and the constitutional monarchy.

Why certain persons will contend for the office of the president can be explained by the fact that there is not a single man in the country whose qualifications are above all the others. The successor to the throne is a question of blood-relation with the reigning Emperor, and not a question of qualifications. The high officials whose qualifications are unusually good are not subservient to others but they are obedient to the succeeding Emperor, because of their gratitude for what the imperial family has done for them, and because their well-being is closely associated with that of the Imperial household. I can cite an historical incident to support my contention. In the Ching Dynasty, one time General Chu Chung-tang was entrusted with the task of suppressing the Mohammedan riot. He appointed General Liu Sung-san generalissimo. Upon the death of General Liu, Mr. Chu appointed his subordinate officers to lead the army, but the subordinate officers competed for power. Mr. Chu finally made the stepson of General Liu the commander-in-chief and the officers and soldiers all obeyed his order as they did his father's. But it may be mentioned that this youngster was not abler than any of his father's subordinate commanders. Prestige counted. He owed his success to his natural qualification, being a stepson to General Liu. So is the case with the emperor whose successor nobody dares to defy, to say nothing of disputing his right to the throne. This is the third difference between the republic and the monarchy.

I will not discuss the question: If there is no righteous and able heir-apparent to succeed his Emperor-father, great danger may confront the nation. In order to provide against any such case, I however advocate that the formation of a constitutional government should go together with the establishment of the monarchy. At first, it is difficult to establish and carry out a constitutional government. But once it is formed, it will be comparatively easy. When the constitutional government has been established, the emperor will have to seek his fame in such useful things as the defence of his country and the conquest of his enemy. Everything has to progress, and the new element will be made use of by the reigning family. The first emperor will certainly do all he can to capture the hearts of the people by means of the adoption and the carrying out in letter as well as in spirit of the constitutional government. The heir-apparent pays attention to all new reforms and new things. Should he do so, the people will console themselves by saying that they will always be the people of a constitutional monarchy even after the succession to the throne of the heir-apparent. When the time comes for the heir-apparent to mount the throne, the people will extend to him their cordial welcome, and there is no need to worry about internal disturbances.

Therefore, I conclude that the successor to the presidential chair has to prevent chaos by wielding the monarchical power while the new emperor can avert internal disquietude forever by means of the constitutional government. This is the fourth difference between the republic and the monarchy. These four differences are accountable for the fact that there will not be as much disturbance at the time of the change of emperors as at the time when the president is changed.

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The American Legation at Peking

Chief Promoter of Chou An Hui is the Author.

(III)

The following is the concluding part of the important article entitled "The Constitutional Monarchy Is the Salvation of the Country," written by Mr. Yang Tu, chief promoter of the Chou An Hui. It is full of significance, which thus alone will perhaps more fully demonstrated. Should a constitution be adopted as recommended by Yang Tu, we can get a fairly good idea of its contents by reading the concluding part. We repeat our belief that this series will most likely form, with Dr. Goodnow's memorandum to the President, an important contribution to the future history of the Republic.

Mr. Kuo: I am informed that you have said that the establishment and maintenance of the republic and the monarchy has thereon many problems connected with the formation of a constitutional government. Why is it that the attempt to introduce constitutional government during the last years of the Ching Dynasty proved a failure?

Mr. Yang: The constitutional government in the Ching Dynasty was a name only, and as such it was the forerunner of the revolution of 1911. Towards the end of the Ching Dynasty, the talk of the starting of a revolution to overthrow the imperial regime was in everybody's mouth, and the constitutional party endeavoured to accomplish something really useful. At that time H. E. Yuan Shih-kai was the grand chancellor, and realizing the fact that nothing except the adoption of a constitutional government could save the throne for the Manchus, assumed the leadership of the constitutional party, whose influence gradually increased and finally surpassed that of the revolutionary party as a result of his active support. The people's hearts completely turned to the constitutional party for salvation while the revolutionary party lost that popular support which it had formerly enjoyed. It seemed that the imperial household would soon adopt the constitutional monarchy and the threatening revolution could be averted. Unfortunately, the elaborate plans of H. E. Yuan Shih-kai regarding the adoption of the constitutional government was not carried out by the imperial household. A great change took place: H. E. Yuan retired to his native province, and after losing this powerful

shadowed

to make the [illegible] to do for the [illegible] relations of [illegible] people cried for the [illegible] ment, the imperial family said "No." The people [illegible] to pass the abolition of certain official organs for the [illegible] They lost confidence in the reigning house and [illegible] party raised its banner and gathered its supporters from every part of the country. As soon as the revolt started at Wuchang the troops all over the country joined in the movement to overthrow the Ching Dynasty. The members of the advisory council, most of whom were members of the constitutional party, could not help shewing their sympathy with the revolutionists. At last the imperial household issued a proclamation containing nineteen stipulations of "confidence", but it was too late. The constitutional government which was about to be formed was thus laid aside. What the imperial family did was the mere organization of the advisory council. A famous foreign scholar aptly remarked: "a false constitutional government will eventually result in a true revolution." In trying to deceive the people by means of a false constitutional government the imperial house sought its own destruction. Once H. E. Yuan Shih-kai stated in a memorandum to the throne that there were only two alternatives: give the people a constitutional government or they will revolt. What happened afterwards is a matter of common

Mr. Ko: What is the difference between the constitutional government which you have proposed and the constitutional government which the Ching Dynasty intended to adopt?

Mr. Hu: The difference lies in the proper method of procedure and honesty of purpose, which are imperative if the constitutional government expects to be successful.

Mr. Ko: What do you mean by the proper method of procedure?

Mr. Hu: The provisional constitution made in Nanking, which was considered good, is not suitable for insertion in the future constitution, should a constitutionul monarchy be established. In making a constitution for the future coustitutional monarchy we have to consult the constitutions of the monarchies of the world.

Mr. Ko: Can I know something about the contents of our future constitution in advance?

Mr. Hu: If you want to know them in detail, I recommend you to read the constitutions of Prussia and Japan. But I can tell you this much. Needless to say that such stipulations as articles for guaranteeing the rights of the people and the power of the parliament will surely be worked into the future constitution. These are found almost in any constitution. But as the former provisional constitution has so provided that the power of the parliament is unlimited while that of the president is very little and besides the conferring of decorations and giving of orders of merit, he almost has nothing to do without the approval of the Senate, it is certain that nothing will be taken from that instrument for the future constitution. Nor will the makers of the future constitution take anything from the nineteen stipulations of "confidence" of the Ching government, which have given too

according to the nineteen stipulations, the advisory council will have to draw up the constitution, which shall be ratified by the parliament; the question shall be decided by the parliament; before the use of the army and navy the parliament's sanction is required, the making of treaties with foreign countries have likewise to be approved by the parliament, etc. etc. Such strict stipulations which are not even known to such an advanced country as constitution in England were exacted from the imperial family by the advisory council. Therefore it is most unlikely that the makers of the future constitution will take any article from the nineteen stipulations of "confidence." They will use the constitutions of Japan and Prussia as a joint model and always have in their mind the conditions of the country and the standard of the people. So, there they will copy some of the articles in the Japanese constitution and adopt the Prussian method of procedure for the making of the constitution.

Mr. Ko: What do you mean by honesty?

Mr. Ku: It is a bad policy to deceive the people. Individually the people are simple, but they cannot be deceived collectively. The Ching government has committed an irretrievable mistake by promising to the people a constitutional government but never carrying out its promise. This attitude on the part of the then reigning house brought about the final revolution. As the standard of the people at the present time is not very high, they will be satisfied with less power if it is properly given to them. Should one attempt to deceive them his cause will finally be lost. I do not know how much power the people and the parliament will get in the constitutional monarchy, but I like to point out here that it is better to give them less power than to deceive them. If they are given less power, and if they want more, they will contend for it. Should the government deem it advisable to give them a little more, well and good. Should they be unfit for the possession of greater power, the government can issue a proclamation giving the reason for not complying with their request, and they will not raise trouble knowing the true intention of the Government. There is therefore little or no danger in giving the people less power. However honesty is the most important element in the creation of a constitutional monarchy. It is easy and simple to practise it. The parliament must have the power to decide upon the laws and fix the budgets. Should its decision be too idealistic or contrary to the real welfare of the country, the Government can explain its faults and request it to reconsider its decision. Should the parliament return the same decision, the government can dissolve it and convoke another parliament. In so doing the government respects the parliament instead of despising it. But what the parliament has decided should be carried out strictly by the government, and thus we

will have a real constitutional government. It is easy as said but difficult to use, but China like all the other countries has to go through the experimenting stage and face all kinds of difficulties before a genuine constitutional government can be evolved. The beginning is difficult but once the difficulty is over everything will go on smoothly. I emphasize that it is better to give the people less power at beginning than to deceive them. Be honest with them is my policy.

Mr. Ko: I thank you very much for what you have said. Your discussion is interesting and I can understand it well. The proper method of procedure and honesty of purpose which you have mentioned will tend to wipe off all former corruption.

Mr. Ko or the stranger then departed.

7 SEP 1915 ——, 191—, from the American Legation at Peking.

INTERVIEW WITH THE LEADERS.

By Putnam Weale.

I went to see the chiefs of the Chou An Hui on their initiative. Their idea—as one of the organisation is in the confidence of the former Tartar of Anhui, Sung Yuan-ting—was to be invited over to the Grand Hotel de Pékin, the headquarters of the Imperial City—quite near to the Foreign Legations.

Mr. Sun Hung-hsing received me very affably and we were soon engaged in a long discussion. An immense deal of political vocabulary has grown up in China since the Revolution; sometimes this vocabulary is based on Japanese expressions, but more often entirely new combinations are made. Many times during a morning's talk I would have given much for a "Kang-hsi" or "Yung-cheng" dictionary to help me. For instance, on the all-important question of the right of the people to control the Executive, there are quite half a dozen different words for "control," which, although they all convey practically the same idea, have each a different shade of meaning.

A POINT DESERVING ATTENTION.

The room in which I was received was filled with Chinese gentlemen. Many of them belonged to the old Tungshu Hui political party—the Kung Ho Tang—which in 1912 was significant enough to secure 120 seats in China's new yet shrunk Parliament, or Senate Brotherhood, Association. This is only another way of saying that while principles involving national existence are under discussion the men who do so can really think no higher than in terms of politicians. I would call particular attention to this point.

As might seemed to be the expectation that I should do so, I began with an analysis of the foreign attitude in Chinese affairs. I made it quite clear at the very start that foreigners, being foreigners, had no business to intervene in Chinese politics save when those politics directly touched questions of foreign relations. A radical change in the form of government in China *i.e.* a return to the Empire—did, however, directly touch the question of foreign relations since international recognition would have to come before such a change would have international validity. In a certain sense, therefore, the Foreign Powers possessed a sort of suspensive veto: they might declare that, if the Empire were proclaimed together with a new constitution, they would delay their recognition until such time as it was proved that the new government had stability and was peacefully accepted by the mass of the population.

THE GOODNOW MEMORANDUM

I then directly raised the question of the Goodnow Memorandum and the bad impression both that and the Chou An Hui manoeuvres had produced in foreign circles. I pointed out that it was a unique thing even in China to have an adviser settle in four four hundred millions of people and that in bringing the employment of such persons under discussion only which could not be impossible. I added that the bill (now withdrawn) for the introduction of titles of nobility in China had been another capital error, calculated to accentuate the artificiality of the whole governmental structure, and to show that the general and quite haunting aim of Chinese politicians was that they concentrated on unattainable ideals, as for the case of titles, of a wholly fabulous nature. There was one essential thing only in China to-day.

"What was that?" I was asked.

"Representative government—the modern calling together of a Parliament" answered. Before stopping the question more directly I began by pointing out that it was difficult for foreigners to understand that although possibly ninety per cent. of the people were quite ignorant of a future change in the form of government, yet were still anxious for the Chinese State, just as they had been anxious for the past years, and also the constant change of Ministers which was the breakdown of parliamentary government.

"And you," I asked, "whenever parliament was sitting in Peking you probably changed your Ministry every few days. Is it not so?" It could not be denied that this was so. I continued: "Parliament was probably responsible, by the showing of sensational publications, for the shootings of unpleasant political figures."

"Why was this?"

"Because parliament was new and in some way novel in every country having had civilised government some parliament which would not only represent the claims of individuals but serve as a focus which should attract towards it all proper interests. Here and from discussion it or some one specific safety-valve in the world and the greatest power of corruption. Chinese were afraid of free and frank discussion; they were afraid to face the fierce light of public opinion. So long as they remained in that condition of mind with an inefficient bureaucracy continually directing the work of government, so long would the world despise and ill-treat them.

A CHINESE PARLIAMENT.

"There is no escape from these facts," I insisted. "Even if the whole four hundred millions of this country demanded with an unanimous voice that Yuan Shih-k'ai be enthroned the act of his enthronement would not alter in the slightest particular your chief difficulties, which are socio-economic rather than political; which will increase rather than decrease and which in the end will cause you to be decapitated as a nation unless you have the courage and the honesty to-day to be sure. The solution of the Chinese problem can only be found through the voice of a Chinese parliament debating month after month, year after year the immense problems calling for solution. The existence of the military police system which to-day enmeshes the provinces is looked upon with suspicion by Englishmen because they distrust militarism as a form of government; and the talk of a monarchy has tended to increase their suspicion rather than to diminish it. The speedy calling of a Parliament could alone cancel the harm already done."

THE CASE FOR THE MONARCHY.

It was on this note that I ended and my

THINKING IMPERIALLY.

THE FUTURE, OBSCURE.

In such circumstances what the future really holds for this country becomes more and more obscure. Always charmed with novelties, for the time being the reintroduction of imperialism is the thing attracting the interest of Chinese society, much as a new airship—or some other startling invention—would attract the attention of Europe. The more one probes the matter the more disconcerting does it all become—tending to make even those who are almost of the land wonder whether the dictum that we are all really fools is not the greatest truth in the world at the present moment in Peking.

There is one more word. It is this:—If the last four years in China have been only an evil dream, the awakening is likely to be of a ruder nature than the simple formula of the proclamation of a monarchy would imply.

THE MONARCHICAL QUESTION

VIEWS OF MR. LIANG CHI-CH'IAO.

To ascertain the views of Mr. Liang Ch'i-ch'iao on the issue raised by the establishment of the Chou An Hui, a representative of the "Peking Gazette" visited him at Tientsin and secured his first public utterance on the subject. The following is a translation of the interview which appears in our Chinese Section to-day.

Our representative asked Mr. Liang what was his opinion respecting the Chou An Hui recently organised by some leading politicians in the capital. Mr. Liang said: "For about a year I have been engaged in social work and have practically abandoned politics. Even when I was an enthusiastic critic of politics I used to say that I cared not for the *form* of the government but for the actual conditions of the administration. I therefore do not like to discuss the question of the mere form of government."

Our representative suggested that since Mr. Liang did not care for the *form* of the government, he certainly could have no objection to the government of China being republican or monarchical in form. He asked Mr. Liang if it was true that some time ago he had written an article strongly supporting a constitutional monarchy.

Mr. Liang replied: "When I say 'I care not for the *form* but for the *reality* of government' I mean that I prefer to see reformation under the *existing* government. In pursuit of this belief I fought a wordy war with my pen with the revolutionists during the last days of the Ching dynasty, when the temperature of republicanism was at boiling point. I then strenuously advocated a constitutional monarchy. So late as after the Wuchang uprising I wrote an article on 'The problem of the building of the New China,' in which I said that although the formation of a Republic was inevitable, the formality of a monarch as figurehead should be maintained. Now what Dr. Goodnow is reported to have said in the columns of the Peking newspapers respecting the disadvantages of a republic, quoting the cases of Mexico and other republics of South America, is just what I said more than ten years ago, but in terms more earnest and comprehensive. Those who are interested in this question may refer to my articles in the Hsin Min Chung Pao 新民叢報 Yin Ping Shih Wen Chi 飲冰室文集 and other similar works.

"When I was driven as a last resort to write the article on 'The problem of the building of New China' I advanced three proposals, which were more tentative than final: 1. the maintenance of the Ching Dynasty; 2. nominally enthrone the Yen Sheng Kung (Confucius' descendant); and 3. the enthronement of a descendant of the Ming dynasty. These proposals, as I have just said, were tentative but it can be imagined how my mind was exercised by the danger of a sudden change of government. Those who are discussing this second change of government are trying to base their arguments on these three same proposals. I risked the indignation of the public and defended the monarchy not because I had any love for it, because to me there can be no connexion between the name by which the country is described and the reality of the government constituted. If the constitution is secured, there is nothing to choose between a republic and a monarchy. But neither the republic nor the monarchy will avail the nation if the constitution is not workable. Now since there is no choice between the two it is preferable gradually to build up an ideal government *on the existing foundation.* This is *the* principle I have adhered to during all these years.

"Now a nation is a 'ponderous thing.' Constant overturning is certain to cause damage. There lies my fear. This is why I have, on the one hand, been trying to hasten the advent of ideal government, on the other hand endeavouring always to respect and maintain the existing government, whatever it may be. For, while the usual tendency of political changes is progressive the tendency in the change of the form of government is usually revolutionary. I have never heard of a revolution that brought good and gave blessing to the people and the state. For this reason I have never opposed the republic neither have I opposed the monarchy. But I have always been opposed to *revolution* and my belief is that the worst form of misfortune which can befall a nation is a revolution."

Mr. Liang was next asked: "But the Chou An Hui wiseacres say that a Republic cannot be constitutional and only a Monarchy can be. What do you think of this?"

"I am too stupid to understand this wise dictum" replied Mr. Liang with

a smile. "I cannot recall such a conclusion by any authority East or West, ancient or modern. Neither can I find any positive facts in history that will bear out such a contention. If China wishes to change from autocracy into a constitutional government the first point to look to is the degree of sincerity in the desire of the man in power to protect the constitution, and the second point is how far are the people capable of utilising the force of the constitution. I cannot bring myself to agree with those who hold that these two factors can be changed in any way merely by a change in the form of government."

Our representative then asked Mr. Liang if he thought the majority of the thinking and more intelligent people of China would oppose the reversion into a Monarchy—one of the conditions laid down by Dr. Goodnow as essential for such a change.

Mr. Liang said: "If the existing form of government has come to such a parlous condition that it must be changed, then there is no ground for opposition. Only the rebels who seek to benefit themselves would take advantage of such an occasion to oppose the change. Nevertheless every change in the form of government inevitably results in the loss of a certain number of patriotic politicians; and I say without fear of contradiction that although many new men of talent have arisen since the establishment of the Republic, there has been not a few men of ability who have voluntarily retired into obscurity. Wise people are much concerned about this but as each individual is entitled to his freedom of action, nothing can be done to remedy it. If the change now mooted should come about, those who have already forsaken the world of politics will of course not return while a greater number of people will take the occasion to retire. If this should be so then the proposed change can not be for the benefit of the country."

"But," asked our representative, "Mr. Liang, you must have heard enough from which to draw your own conclusion as to when this much talked about change of government will be actually carried out."

"It is rather difficult to say now," replied Mr. Liang, "whether the proposed change will materialise. But looking at it from the theoretical point of view and judging from precedents, it is not improbable. The rule in physics that a force has always its resistance applies. Since the first change has come through, the second change will naturally follow. The cause of the change does not lie in the present conditions but in the first change of government. I said in my article in the *Hsin Min Chung Pao* while debating with the revolutionists, that to seek for a Republic by means of a revolution would eventually result in a return to autocracy. I argued on this point until my lips were parched and my tongue tired out, but the nation gave no ear. The consequence is the present situation. Now the same argument uttered long ago is again voiced through the mouth of a foreign scholar and the old despised words have suddenly become precious and supernatural and now engross public attention. How strange! But what the foreign scholar now says is only half of what I said on this subject more than ten years ago. As to the other part of my opinion I can only say that I hope it will not be fulfilled.

"You ask about our Great President? Well, he has twice taken solemn vows and oaths on assuming the Presidency. This fact is known to the world; and he himself has again and again issued mandates declaring and affirming his word of honour on this point. Even in conversations with others, it is known to us that he has on several occasions said that he would not set up a monarchical system for himself. No insult can be greater than to suspect our President of such a desire."

Our representative then asked Mr. Liang if he knew that Dr. Goodnow was actually the person who started the monarchical proposal. Mr. Liang said that Dr. Goodnow called on him after his arrival but the meeting did not take place as Mr. Liang was out. Dr. Goodnow however submitted his views to the Constitution Drafting Committee, but his views were all in connexion with the constitution for the Republic and nothing else.

In conclusion Mr. Liang was asked if he had any reason for absenting himself from the meetings of the Constitution Drafting Committee. Mr. Liang replied that since his trip to the South he had been in indifferent health. His occasional absences from the meetings were due solely to this. However, he continued, the discussions so far have not touched the constitution itself; and therefore his absence really did not matter much. He hoped soon to be with his colleagues again and would then push on the work to a speedy conclusion. He was determined to do his duty as a citizen by helping to draft the fundamental law of the country at an early date.

***** Mr. Liang informed our representative that he was preparing an exhaustive article on the subject and hoped soon to have it ready for publication.**

Enclosure No. 15 in Despatch No. 747
7 SEP 1915, 191__, from
the American Legation at Peking.

SATURDAY, SEPTEMBER 4, 1915.

REPUBLIC TO MONARCHY!

BY LIANG CH'I-CH'IAO.

Before I proceed with my article I wish to make plain two points. One is that I am not one of those reformers whose ears are their brains and who are intoxicated with the doctrine of republicanism. I have, therefore, no partiality for the republican form of government nor any bias for or against other forms of government. This can be proved by my literary work during the past ten years. The second point is that I am not one of the veteran conservatives who lay so much stress on the importance of having a dynasty. For such are the thoughts of men who only seek to adjust themselves to existing conditions. If one wishes to consider the present situation of the country without bias or prejudice, he must disregard the rise or fall of any particular family. Only those who bear in mind these two points can read my article with real understanding.

I.—THE QUESTION CF KUO-TI.

Sometime ago I said that, as political students, we should only care for *Cheng-ti, i.e.* the form of government and not for *Kuo-ti, i.e.* the form of state. Do not call this a trifling with words, for it is a principle which all critics of politics should follow and never depart from. The reason is that critics of politics should not, because they cannot, influence the question of *Kuo-ti.* They should not influence the question of *Kuo-ti* because so long as the question of *Kuo-ti* remains unsettled the major portion of the administration remains at a standstill. Thus there will be no political situation properly so called and there will be no political questions to discuss [here the term political means really administrative]. If a critic of politics, therefore, interfere with the question of *Kuo-ti,* he will be leading the nation into a condition of political instability, thus undermining the ground on which the people stand. Such critics can be likened unto a man trying to enter a house without ascending the steps or crossing a river without a boat.

They cannot influence the question of *Kuo-ti.* The force which drives and steers the change of one form of State or *vice versa* is generally not derived from mere politics. If the time is not ripe then no amount of advocacy on the part of critics can hasten it. If the time is ripe, nothing the critics say can prevent it. He who indulges himself in the discussion of the problem of *Kuo-ti*—the form of States, as a political student, is ignorant of his own limitations and capacity. This is as true of the active politicans as of the critic; for the first duty of an active politician is to seek for the improvement and progress of the administration of the existing foundation of government. A step beyond this line is revolution and intrigue, and such cannot be the attitude of a right-minded active politician or statesman. This is looking at it from the negative side.

From the positive, that is, the progressive point of view, there is also a boundary. Such actions under one form of government are political activities, and under the opposite form of government are also political activities. But these are not questions of political principle. For only when a man sacrifices the ideals which he has advocated and cherished during the whole of his life that the question of principle arises. Therefore the great principle of looking to the actual state of administration of the form of government and leaving the mere form of state in the background is a principle that is applicable under all circumstances and should be followed by all critics of politics.

II.—THE ARGUMENT AGAINST CHANGE.

No form of government is ideal. Its reason r existence can only be judged by what it has achieved. It is the height of folly to rely on theoretical conclusions as a basis for artificial arbitration as to which should be accepted and which discarded. Mere folly however is not to be seriously condemned. But the danger and harm to the country will be unmeasurable if a person has prejudiced views respecting a cerfain form of government and in order to prove the correctness of his prejudiced views, creates artificially a situation all by himself. For this reason my view has always been not to oppose any form of governm•nt. But I am always opposed to any one who engages in a propaganda in favour of a form of government other than the one under which we actually live. In the past I opposed those who tried to spread the republican form of government while the country was under monarchical government, and the arguments I advanced in support of my views were written in no fewer than 200,000 words. Even so late as the ninth month after the outbreak of the Revolution I issued a pamphlet entitled "The Problem of the Building of New China," which was my last attempt to express my view respecting the maintenance of the old form of government.

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What obligations had I to the then Imperial House? Did it not heap persecution and humiliation on me to the utmost of its power and resources? I would have been an exile even to

New China, etc., etc. My regret is that my eyes are not blue and my hair not brown, and hence my words were not acceptable to the nation!

III—RES JUDICATA.

I do not say that the merits or otherwise of the republican system should not be discussed, but the time for such a discussion has passed. The most appropriate time for such a discussion was in 1911 when the Revolution had just begun; but since the establishment should not be tolerated. These words have been eaten. If this subject had been brought up for discussion when the second revolution broke out or Hubert or before the President was formally inaugurated or before the Powers formally recognized the Republic; but the excuse even then would have been a weak one. Where were you then, gentlemen of monarchy? Could you not have stepped out as champions of the cause of monarchy? Could you not have raised the cries of American republics are a warning for us that these republics were by no means successful? Yet at that time you, the leaders of thought, were daily passing the presidency of China, and were quite content that republicanism was the panacea for the world's maladies, and that republicanism was not a new factor in Chinese history. If you could have spoken your true mind, then a republican form of government would not have burdened with the fate of the responsibility of the republican system in China, and years after the movement of 1911 have risen and wept till the very stars were dry.

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The question whether a republican form is a thing of great importance and should not be discussed lightly? How can you then experiment with it and treat it as if you were putting a chair in a definite place, saying: "let me place it here for the moment and I will see to it later." The choice of the State can be likened to marriage between man and woman. The greatest care should be taken during courtship. The lady should thus exercise care to see that the man whom she is taking to be a life companion is worthy of her. During this period it is the duty of her relatives and friends to point out to her any danger or misunderstanding even to the extent of offending her feelings. But if you leave her alone at this stage when there is plenty of time to change her course, and—what is more—urge her to tie the knot despite incompatibility, what right have you afterward to make the impudent suggestion to the wife that her husband is not a man to whom she should cling for life. Is such a course a charitable way of doing things?

If indeed the republican cause is enough to cause the destruction of the nation then you, the advocates of monarchy, have placed the country in a position from which she has no hope of ever coming out independent. You are the men who—to the best of your ability—inculcated and pressed the adoption of the republican cause. The proverb says, "If now, why not then?" How many days can a person live that you, not satisfied with one great sin, are again to commit another. It is not long since the Republic was first established; yet you, the veterans of

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extent of one ten-thousandth of his knowledge, more than ten years ago, anticipated what the good doctor has said; and I said much more and in much more comprehensive terms. I have no desire to talk about my work, but let my readers glance through the copies of the *Hsin Min Tsung Pao*, *Yin*

But the modern critics say we prefer a constitutional monarchy to an autocratic republic. From whatever we are constitutionalists or not is a question concerning the form or object of this country. We have always held that the question of Kuo-t'i is above discussion and that what we should discuss is the actual conditions of administration. If the administration is unsatisfactory, then we shall change the form of government of this country—as the necessity of this time is to be determined by a simple statement the changes even to democratic republican will be endless. But the earliest question is that its former despotic critics said that only a republic and a monarchy could be constitutional; otherwise this critics now say that a monarchy and a republic can be constitutional!

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IV.—PRESIDENT AND A CONSTITUTION.

Let us therefore lay down a simple definition of what a Constitution is before discussing whether the contentions of the critics are reasonable. My opponents will agree with me that the main principle of a constitutional government is that the legislative power should always balance the executive and that the exercising of the administrative power is always limited to a certain extent. They will also agree that the most important point of a so-called constitutional monarchy is that the monarch should act as a figurehead, and that the establishment of a responsible cabinet is an indispensable accompaniment. If these simple principles are recognised then we must put up the theory for discussion. Let us then raise the question who shall be the monarch. In plain words, is the person in our mind the President? or any other person? (In view of the repeated declarations of the President that he will never consent to become an Emperor, this suggestion on my part is a gross insult to his character, but I crave to excuse myself as this is only mere speculation and supposition). What shall we do with the President if we find another man? The President, having so long borne the burdens of the State will certainly be only too willing to vacate his post to live in retirement as far as his own person is concerned, but can we imagine that the country will allow the President to retire? If not, then are we going to ask the President to form a responsible cabinet under a figurehead monarch? Even if we take it for granted that the President, out of love for the country, would be willing to sacrifice his own personal good to the weal of the country, it will be dangerous indeed if he—a person on whom the whole nation depends—is placed in the rank of confinement. Therefore the contention that a constitutional monarchy will be established by a person other than the President be made a monarch is false and baseless.

Shall we then make the present President a monarch? Of course the President will not consent to this. But leaving this aside let us say that the President, for consideration of the supreme interests of the country, is willing to sacrifice everything to satisfy the wish of the people in the object that he will become a mere figurehead. A figurehead monarch is to adopt the saying of the west, a fat pension, a cushioned chair, as good as an expensive office. Will it be wise to place an ambitious personage in so idle a position at a time when the situation is so extremely critical?

* * *

Even if we are willing to suffer the President to become a figurehead it will remain a question whether a responsible cabinet can exist for long. To do "as you say" the President will not allow a responsible cabinet to exist under him. The opposition in their desire to gain office will not acknowledge, who commands respect enough to be capable of standing over the responsible Premiership of President Yuan. For who can replace the Great President in coping with our numerous difficulties. If we select an ordinary man and make him bear the great burden, we will find that in addition to his lack of ability restricting him wherever he touches the question, his field of decision will incessantly hinder him from exercising authority. It is clear for the purpose of securing the requirements of the existing conditions that the Cabinet system was changed into a Presidential system—an excellent substitution for a preferable substitution. Conditions in the next two or three years will not be very much different from what they are now. Therefore, the contention that the administration will be changed overnight for the better since a change in the form of the State is, if not a wicked attempt to deceive the common people, the ridiculous absurdity of a bookworm. Thus the theory that a constitutional monarchy will immediately follow, if the President consents to become a monarch, is also fallacious.

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Can it be possible that those who are now holding up the constitutional principle as a shield for their monarchical views have a different definition for the term "constitution"? The Ching dynasty considered itself as possessing a constitution in its last days. Do we recognise it as such? Let me also ask the critics what guarantee they have to offer that the constitution will be put into effect without hindrance as soon as the form of State is changed. If they cannot give any definite guarantee then what they advocate is merely an *absolute* monarchy and not a *constitutional* monarchy. As it is not likely to be a constitutional monarchy we may safely assume that it will be an imperial autocracy. I cannot regard it as a wise plan if, owing to dislike of its defects, the Republic should be transformed into an Imperial autocracy. Owing to various unavoidable reasons,

[illegible] adopt temporarily autocratic methods in a republican country. But if the step proposed by present day critics be put into effect, that is, on the promise of a constitution we should agree to the adoption of a monarchy, then the promise would be definitely made to the country at the start of transition that a constitutional government will therefore actually. But if after the promise is made existing conditions are alleged to justify the continuance of autocratic methods, I am afraid the whole country will not be so unanimous towards the Chief Executive. To assume outwardly the rule of constitutional government but in reality to rule in an unconstitutional manner was the cause of the downfall of the Ching dynasty. The object lesson is not distant. Let us take warning by it.

V.—FALLACIES OF THE MONARCHISTS.

If, on the other hand, the present day critics are really in earnest for a constitution, then I am unable to understand why they believe that this cannot be secured under the Republic but must be obtained by a roundabout way via a monarchy. In my view the real hindrances to the adoption of a constitution at the present day in China are the existing conditions, the attitude of the officials and the traditions and intellectual standard of the people. But these hindrances have not resulted from the adoption of republicanism. Therefore they cannot be expected to disappear with the disappearance of the Republic. For instance, from the President downward to the minor official of every official organ in the capital or in the provinces, every one believes to be independent of the bounds of law, and considers it convenient to deal with affairs as he pleases. Will the monarchy eliminate to constitutional government? What has this anything to do with the change or no change of the form of State? Again, the absence, on the part of the people, of interest in political affairs, of knowledge of politics, of political morality and strength, and their inability to organise proper political parties to make use of an inviolable parliament, are also hindrances to the attainment of a constitution. Now what have these things to do with a change of the form of the States? If I were to go on naming such hindrances one by one, I should count my fingers many time over and I should not be through. Yet it is quite plain that not a single one of these hindrances can be attributed to republicanism.

* * *

To say that what we cannot get under the republic can be secured immediately upon accepting a monarchical regime or to say that what can be secured under a monarchical regime can never be secured in a republican period is beyond the understanding of a stupid man like myself, although I have searched my brain for a valid reason.

My view is that if China is really in earnest for a constitution, the President should set the example himself by treating the Constitutional Compact as sacredly inviolable and to compel his subordinates to do the same. Every letter of the compact should be observed out and no attempt should be made to step beyond its limits.

Moreover give the people as many opportunities as possible to acquire knowledge with political affairs and not to stifle the aspirations of the people or weaken their strength or dimp their interest or crush their self-respect. Within a few years we shall be rewarded with results. If, instead of doing all these things, we vainly blame the form of State, we are, as Chia Yi says, like a boat that blames the wood for its curves.

* * *

The most powerful opponent of those who advocate a change to a monarchy is that there is every possibility of disturbance at the [illegible] presidential election. This is a real danger. It is for this reason that ten years [illegible] to deal with the advocates of republicanism. If the critics grasp at straws on this point in support of their contentions, I advise them not to write another article but to republish my articles written some time ago which, I think, will be more effective. Fortunately, however, we have discovered a comparatively effective remedy. For according to the latest Presidential Election Law the term of the President is to all purposes and intent a term for life. It is therefore not possible for such disputes to appear during the life of the President. What concerns us is therefore what will happen after the departure of the present President for another world. This of course is a question that we do not wish to touch upon but since every one, even the patriarchs, must die some day, let us face the matter openly. If Heaven blesses China and allows the Great President to devote himself to the country for ten or three years—during which he will be able to assert the authority of the government, cleanse officialdom, store up strength, consolidate the country and banish all hidden dangers—then there will be nothing to choose between a republic or a monarchy. If, on the other hand, Heaven should not be pleased so to favour us and takes away our Great President before he is half through with his great task, then the fate of China is sealed. No changes in the form of State will avail under any circumstances. Therefore the question whether China will be left in peace or not depends entirely on the length of years the Great President will live and what he will be able to accomplish in his lifetime. Whether the country is ruled as a republic or a monarchy the consequences will be the same.

*** *The second and concluding part of our translation of Mr. Liang Chi-ch'iao's article will appear in our next issue. It contains a powerful passage on the Dictator Diaz of Mexico.*

7 SEP 1915
191..., from
the American Legation at Peking.

MONARCHY!

BY LIANG CHI-CH'IAO.

The following concludes our translation of Mr. Liang Chi-ch'iao's notable treatise on the monarchical movement. The first half appeared in our issue last Saturday.

Do you still doubt my words? Let me go deeper into the analysis. The difference between a republic and a monarchy lies only in the methods of succession of the head of the nation. It is evident that although a certain law of succession may be made (unless the life span of the ruler, it escapes one's effort until his death; and whether or not the rulers thus founded will alone up to expectations will depend on three factors: (1) whether or not the ruler has personal influence of the predecessor with sufficient affection after his death, and (2) whether or not there will be assumptions and usurpations at the death of the Head, and, if so, the number of such men and whether the gains of disputes they raise be well founded. If these are taken as the basis for discussing the future we will arrive at the same conclusion, whether the country be a republic or a monarchy.

VI.—THE PRESIDENTIAL ELECTION LAW.

The Presidential Election Law, however, provides that the successor should be nominated by the predecessor, and the name of the successor proclaimed to be locked in the golden box in the state repository. The law, indeed may serve, on the one hand, to multiply his merits and strengthen his personal influence so that the whole country will gladly bow to his wishes to the extent that even after his death they will not want to disobey his last wish, and on the other hand, the President may quietly ascertain the likely causes which would produce dissension, and take suitable steps to prevent and be rid of them. If the seed of dissension is in the ordinances, then alter the ordinances so that they may not be used as a tool by possible claimants. If the seed of dissension is in a person then cultivate that man, lead him to righteousness, place him in a suitable position so that he may be protected from temptation. Meanwhile let the President carefully select his successor on whom he may eventually lay the responsibilities of State (according to the Presidential Election Law the President is at liberty to suggest any one he likes, his own son or some one else). Let the nominee be placed in a responsible position so as to bring him to public notice. Give him real authority so that he may establish his influence. Place his name at the head of other men of little consequence in the golden box. Then there will be absolutely no ground for dispute when the time comes to open the box.

If every President will do likewise this system can be used without fear of a break for hundreds of years. Otherwise we will have only the Imperial system on paper to rely on for assistance, which is not even

VII.—THE CASE OF DIAZ, THE DICTATOR.

The critics bring up the example of Mexico where five rivals have been struggling with each other for the presidency, and the Imperial candidate of the Central and South American republics as well as Portugal, as an unquestionable proof of their contention that a republic is not as good as a monarchy. I imagine that the idea of those critics is that all these disturbances can be avoided if all these republics were changed into monarchies. Let me tell those that Diaz ruled over Mexico for thirty years, and only died as an exile in May last. (I am not quite sure of this latest statistic.) If indeed the struggle in Mexico was a fight for succession then the fight should not have begun until this year. And indeed if it were necessary to have a monarch to avoid the disturbances, and considering that Diaz thirty years ago, had a mind like Dr. Goodnow to make the suggestion, and even like the Chinese Ku Hung-ming, and suppose that Diaz boldly took the advice and set up an Imperial system for himself, would Mexico then have a peace that would last as long as the rule of Diaz had lasted? (Perhaps Dr. Goodnow's position he would long ago have been exiled in a foreign country before his Imperial system could have come into effect or himself become the proud founder of a new dynasty. What he would have failed to see Imperial charter could have "ecclipsed" a three years of peace if he could not prevent rebellion even during his lifetime how can we expect an empty Imperial system to prevent it after his death? Even a child can see this. The disturbances in Mexico were unavoidable no matter under a republic or a monarchy. The reason? It is because Diaz, under the mask of a republic actually played the role of a despot. During all the thirty years he held office he never devoted himself to the strengthening of the fundamental things of State but diligently strengthened his own position. He massed an enormous number of troops for his own protection so that he might overawe the people. For fear that the troops might become arrogant and insubordinate, he provoked disagreement among them in order that he might play them round his fingers. He banished all those who opposed him, relying on force alone. In dealing with those who were really patriotic, he either corrupted their character by buying them with silver or removed them by assassination. He was a vainglorious man and spent money like water. From the foreign capitalists he borrowed in a most indiscriminate manner, while on the Mexican people he levied all sorts of cruel taxes. Thus the strength of the people was drained and the resources of the country was exhausted, creating a position over which he eventually had no control whatever. Ten years ago I wrote an article in the *Hsin Min Tsung Pao* remarking that Diaz was a matchless fraud. I said then that a nation-wide calamity would befall

VII.—THE FALLACY OF REPUBLICAN UNREST.

As to Portugal, if it be true that the change from that monarchy to republic has not stopped internal disturbances; but is it not a fact that Portugal became a republic as a result of internal disturbances and was it not during the existence of the monarch that the disturbances started? It is ridiculous to suppose that a republic will surely restore tranquility, while a monarchy will surely create disorder and strife. Is not Persia a monarchy? Is not Turkey a monarchy? Is not Russia a monarchy?

Read their history in recent decades and see how many years of peace they have had. There have been no election of presidents in these countries. Why does such unrest?

Again, why was the state of affairs during the thirteen years of the Hua Dynasty Peking and Two Streets of the Five Boroughs so deplorably miserable and disastrous as the state of affairs now prevailing in Canton, although there was no election of Presidents then? In quoting objective facts as illustrations the writer should not allow his choice to be discussed by the personal likes or dislike. Otherwise he will not be deserving other but himself. Soberly speaking any form of state is capable of either preserving a successful government or causing rebellion. And what not of see clear the cause of rebellion lies in the conditions of the administration and not in the form of state. It cannot be denied, however, that the chances of rebellion and dissension are more frequent and easier when the form of state does not suit the conditions of the people. That is why I did not advocate republicanism: and even now I am not a blind believer in republicanism. In this I agree with you, the Chou An Hui people.

* * *

The reason why I have not decided to advocate boldly a change in the form of state is because for years my heart has been burdened with an unspeakable sorrow and pain, believing that ever since the mistake made in 1911 the hope for China's future has dwindled to almost nothing. On one hand I have been troubled with our inability to make the Republic a success, and on the other I have been worrying over the fact that it would be impossible to restore the monarchy. The situation has so worked on my troubled mind that at times I seemed to be beside myself. But as the whole

IX.—"DIVINITY DOTH HEDGE A KING!"

Now my friends, you have stated in a worthy manner the reason why the republican form of state cannot exist China as suitable for Chinese; now let me state why it is impossible to restore the monarchical system. The maintenance of the dignity of a monarch depends on a sort of mystic belief, traditional influence or habit. Such as India once was capable of producing monarchs and consequently a kind of ethics to suit them; so is necessary to consolidate order and supporting thrones in this country. In fact, this dignity of a sovereign is to be upheld with. Once it is broken down it can never be mended again. We never heard an occasion when the dignity of a monarch and the [illegible] of a good deed. There is a beautiful temple and must be a glorious shrine and the people [illegible] it. And [illegible] it unanimously [illegible] suppose some human power should pull it down, would it admit that and throw it into a dirty pond and suppose some one should discover it and carry it back to its original sacred abode, what will find the shrine has gone from it. Ever since the days of monarchical government the people have looked on the monarch with a sort of divine reverence and never dared to question or criticize his position. After a period of republicanism, however, this attitude on the part of the common people has been abruptly terminated with no possibility of resurrection. A survey of all the republics of the world will tell us that although a large number of them suffered under republican rule, not a single one succeeded in shaking itself free of the republican fetters. Among the world republics only France has had her monarchical system revived twice after the republic was first inaugurated. The monarchy however disappeared almost immediately. Thus we may well understand how difficult it is for a country to return to its monarchical state after a republican regime. It may be said that China has had only a short experience of the republican regime; but it must also be remembered that the situation has been developing for more than ten years and in actual existence for about four years. During the period of development the revolutionists denounced the monarch in most extravagant terms and compared him to the devil. Their aim was to kill the mystic belief of the people in the Emperor; for only by diminishing the dignity of the monarch could the revolutionary cause make headway. And during and after the

Turning to another aspect, the most natural course would seem to be a revival of the last dynasty. All other forms possible for a Count II and Louis XVIII. of China to appear again, if not for the hatred of racial domination. But since the last dynasty was Manchu this is out of the question. If a new dynasty were set up it would require many years of [illegible] and a great deal of organizing to succeed. Even then, only a few have succeeded in this way in prolonging their dynasties by actually overturning the people of the country. Therefore the inevitable plan I have been saying to myself that it would be easier to strengthen the country and place it on a sounder basis if it were possible for us to return to our accustomed state. And to revive the monarchical government three and two ways.

* * *

One is that after thoroughly upholding the internal administration under the leadership of the present Great President, that is, when all the neglected affairs of the country [illegible] and prosperous, the [illegible] would unseat him of the dignity [illegible] nation," and the President whose multiple opportunity practically itself, should have the rare fortune to gain a decisive victory over a foreign foe; then his achievements would be such that the millions of people would compel him to accept the throne and so he would hand his sceptre on to his descendants to endless ages.

* * *

The second possibility is that after a second great internal disturbance, resulting in the whole country being thrown into a state of utter confusion and cut up into small independent states, the President should suppress them and unite the country into one empire. We will, of course, not pray for the second possibility to come about as then there will be little left of the Chinese people. ***And no one can be certain whether the person who shall succeed in suppressing the internal strife will be a man of our own race or not.*** Thus the result will not differ very much from national extinction. As to the first possibility, we know that an exceedingly capable man is now in a most powerful position; let him be given time and he will soon show himself to be a man of success. Does not the last ray of hope for China depend on this?

X.—THE UNRIPE PEAR.

This is why I say we should not deliberately create trouble for the Republic at this time to add to the worries of the Great President so that he might devote his puissant thoughts and energies to the institution of great reforms. Then our final hope will be satisfied some day. But what a year and what a day we are now living in? [illegible] Odes say, "The people are timid. Let them have a respite [illegible] years' time from the 6th month of the year [illegible] we have had many changes. Like a bolt from the blue we had the Manchu Conflagration, then "the Republic of Five Races," then the Provisional President, then the formal Presidency, then the Provisional Constitution promulgated, then [illegible] suddenly extended, suddenly the National Assembly was completed, suddenly it was dissolved, suddenly we had a Cabinet System, suddenly it was changed to a Presidential System, suddenly it was a Limited Presidency, suddenly it was a life term Presidency, suddenly the Provisional Constitution was [illegible] and a [illegible] of a Permanent Constitution, suddenly the drafting of the Permanent Constitution was pressed. Generally speaking the average life of a new system has been less than six months, after which a new system quite contrary succeeded it. Thus the whole country has been at a loss as to know where it stood and how to act; and thus the dignity and credit of the Government in the eyes of the people have been lowered down to the dust. There are many subjects respecting internal and diplomatic affairs which we can profitably discuss. If you wish to serve the country in a patriotic way you have many ways to do so. Why stir the peaceful water and create a sea of troubles by your vain attempt to excite the people and sow seeds of discord for the State?

XI.—THE ASSEVERATIONS OF THE PRESIDENT.

One or two points more, and I am finished. These will be in the nature of a straight talk to the Chou An Hui. The question I would ask in plain words is, who is the person you have in your mind as the future Emperor? Do you wish to select a person other than the Great President? You know only too well that the moment the President relieves his shoulder of the burdens of State the country will be thrown into confusion. If you entertain this plot with the deliberation of a person bent upon the destruction of the country then the four hundred million of people will not excuse you.

* * *

Is the man you have in mind the present

Or, perhaps, you are measuring this mutton incident of a gentleman with the heart of a mean man, saying to yourself that what the President has been saying cannot be the truth but, as Confucius has said, "say you are not but make a point to do it," and that, knowing that he would not embrace you, you have taken the risk. If so then what do you take the Great President for? To go back on one's words is an act despised by a vagabond. To suppose such an act of baseness capable of the President is an insult, the hideousness of which cannot be equalled by the number of hair on one's head. Any one guilty of such an insult should not be spared by the four hundred million of people.

XII.—THE CHOU AN HUI AND THE LAW.

Next let me ask if you have read the Provisional Constitution, the provisional code, the meeting and association law, the press regulations, the various mandates bearing on the punishment of persons who dare conspire against the existing form of state? Do you not know that you, as citizens of the Republic, must in duty bound observe the Constitution and obey the laws and mandates? Yet you have dared openly to call together your partisans and incite a revolution (the recognised definition in political science for revolution is "to change the existing form of state.") As the Judiciary have not been courageous enough to deal with you since you are all so closely in touch with the President, you have become bolder still and carry out your sinister scheme in broad daylight. I do not wish to say what sort of peace you are planning for China; but this much I know, that the law has been violated by you to the last letter. I will be silent if you believe that a nation can be governed without law. Otherwise tell me what you have got to say.

* * *

It is quite apparent that you will not be satisfied with mere shouting and what you aim at is the actual fulfilment of your expectations. That is, you wish that once the expected monarchy is established it will

all, from the Court down to the common people? For one to adopt methods that violate the law while engaged in creating a new dynasty is like a man, in order to secure a wife, seduces the virtuous virgin to commit fornication with him, on the plea that as a marriage will be arranged possession of her virtue need not be insisted upon. Can such a man blame his wife for immorality after marriage? If, while still citizens of a republican country, you may openly and boldly call meetings and organise societies for the overthrow of the Republic, who shall say that we may not in days to come openly and boldly call meetings and organise societies for the overthrow of the monarchy? What shall you say if in future there should be another foreign doctor to support another theory and another society to attempt to another form of activity? The Confucianist is, "To prevent the monkey from climbing a tree is like putting sand on a man in the ship." For a person to adopt such methods while engaged in the making of a dynasty is the height of folly. Montesquieu says, "In Chosroe when creating a dynasty, aims at rapine must not be handed down as good examples". Is it not the greatest misfortune to set up an example that cannot be handed down as a precedent? The present state of affairs is causing me no small amount of anxiety.

XIII.—A POSTSCRIPT.

A copy of Mr. Wang Ta's pamphlet, *Constitutional Monarchy, the Salvation of China*, reached me after I had finished the above letter. As I glanced through it I stumbled upon the following passage: "What is known as a constitutional country is a country which has definite laws and to which we can, from the ruler down to the common people, can take any action that is not permitted by law. Good men cannot do good outside of the bounds of law; neither can bad men do evil in violation of it." This is indeed a passage that breathes the very spirit of constitutionalism. Let us ask Mr. Yang if the activities of the Chou An Hui, of which he is the president, are acts within the bounds of law? Mr. Yang is a good man. It is therefore possible for him to believe that he is not doing evil in violation of the law; but has he not at least been doing good outside of the bounds of law? If an advocate of constitutional monarchy is capable of doing such unlawful acts, we may easily imagine what sort of a constitutional monarchy he advocates; and we may also easily imagine what the fate of his constitutional monarchy will be.

* * *

Mencius says, "Am I argumentative? I cannot help it." Who would have thought that a man, who cares not for the question of the form of state like myself and who opposed you—Mr. Yang Tu—during your first campaign for the change in the form of State—you were a Republican then—would be opposing you again now that you are engaged in advocating another change in the form of State? A change in the form of government is a manifestation of progress

while a change in the status of the State is a sign of revolution. The path of progress leads to further progress but the path of revolution leads to more revolution. This is a fact proved by theory as well as actual experience. Therefore a man, who has any love for his country, is afraid to mention revolution; and to myself I am always opposed to revolution. I am now opposing your theory of *monarchical* revolution just as I once opposed your theory of *republican* revolution, in the same spirit and am doing the same duty. My belief is that since the country is now in a most weakened state, we may yet fall even if we do all we can at all times to cure its wound and gather up its scattered strength. How can any one devote his time and energy to the discussion of a question of so important such as the form of state, and so obstruct the progress of the administration? But this is not all. The whole country is now stirred up to an excited state and is wondering how long this ever-changing situation is going to stop. The loss caused by this state of affairs, though unnoticed, is incalculable. In the Odes, it is written: "Alas my brethren. Befriended of the countrymen. No one wants rebellion. Who has no parents?" Let the critics remember this—let them remember.

* * *

Some will say to me that a revolution is an unavoidable thing. Of all things only the facts cannot be undone. Why then should I bother myself especially as my last effort fell on deaf ears. This I realize; but it is not my nature to abandon what is my conviction. Therefore, although aware of the futility of my words, I cannot refrain from uttering them all the same. Chu Yuan drowned himself in the Pilo and Chia Sheng died from his horse. Ask them why they did these things, they will say they did not know. Once I wrote a piece of poetry containing the following lines.

Then years after you will think of me.
The country is excited! To whom shall I speak?"

I have spoken much in my life and all my words have become subjects for meditation ten years after they were uttered. Never, however, have any of my words attracted the attention of my own countrymen before a decade has spent itself. Is it a misfortune for my words or a misfortune to the Country? My hope is that there will be no occasion for the country to think of my present words ten years hence.

...NG GAZETTE, MONDAY, AUGUST ...

THE PRESIDENT'S ...ACTION

...According to the Hsin Wan Pao, the President, after receiving the Secretary of State for Foreign Affairs, discussed with him questions relating to the Chou An Hueis or Peacemaking Society. At the conclusion of the interview the President is said to have made the following solemn declaration:—

"...

THE "SOCIETY FOR PEACE."

Unanimous Impeachment by Censorate

ALREADY SUBMITTED TO THE PRESIDENT.

Mention was made in our Saturday's issue regarding the Censors' proposal for the impeachment of the promoters of the Chou An Hui or "Society for Peace." It is now reported that the memorial of impeachment has already been submitted to the President, the document being signed by all the members of the Censorate without a single exception. In the memorial the Censors are said to have, among other things, given full explanations about the advantages and disadvantages of the issue raised by the promoters of the Chou An Huei.

One of the promoters of the "Society for Peace" is said to have approached some well-known journalists in the Capital for their assistance in establishing a special newspaper with the object of propaganda. The promoters are now hesitating about the inaugural meeting of the society and will, it is said, wait and watch the trend of public opinion.

MONDAY, SEPTEMBER 6, 1915.

THE PRESIDENT AND THE REPUBLIC.

Inquiries made in high Chinese circles yesterday enable us this morning to make an announcement of the utmost importance regarding the grave constitutional issue which has been agitating the mind of the nation during the past three weeks. It is understood that the attention of the President has been called to the unwarrantable association of his name with the movement started by the Chou An Hui in favour of a monarchical restoration in China. In order to tranquillise and compose the disturbed state of public opinion on the subject, the President has decided to depute a representative to attend the informal meeting of the Tsan Cheng Yuan, which is to be held to-day, and make a declaration reaffirming the continued validity of the Oath sworn at his inauguration as President of the Republic of China and his unalterable fidelity to the Min Kuo.

It is also understood that Vice-President Li Yuan-hung, who absented himself at the meeting of the Tsan Cheng Yuan last Wednesday, will preside at the meeting of the Council to-day at which the representative of the President will make the declaration referred to. The Vice-President has recalled the despatches sent in on the 2nd inst., in which he tendered to the President his resignation as Chairman of the Tsan Cheng Yuan and Chief of the General Staff. It is reported that His Excellency has taken this course in order to prevent the repetition of the reports and rumours alleging differences of views between himself and the President.

We may add that it is not improbable that the question raised by the Chou An Hui will be settled in terms which, it is hoped, will not involve a direct frontal attack on the Min Kuo, although a devastating assault may be made on the fabric of Western constitutional thought.

MINISTERS AND THE MONARCHY MOVEMENT.

OPPOSED TO IMMEDIATE CHANGE IN THE STATUS OF THE STATE.

How Succession Problem will be Solved.

Much importance is attached to the arrival of General Feng Kuo-chang, who is supposed to be opposed in principle to the monarchical movement. It is believed that he and two other high officials, General Chang Hsun and General Li Yuan-hung, Chiang Chao of Kwangsi, are of the opinion that Yang Tu and his colleagues are not fit to raise such a grave question as the change of the status of the State. According to his view, the report goes on to say, such an important change should be initiated by the Secretary of State and responded to by Chiang Chuns and Governors of the provinces. He considers it an impertinence for Yang Tu and a few members of no consequence to head such a momentous movement and says disaster ahead if they are allowed to go on. General Feng is believed to have made his views known before the President, who is said to have expressed acquiescence.

In official circles however, it is not believed that the Provisional Senate would be willing to take on himself such a grave responsibility, a fact which appears to be borne out by the President's statement that the matter should be left in the hands of the representatives of the people. In this connexion it is of some interest to report that a meeting of the Ministers was held in the Cheng Shih Tang on Saturday.

All the Ministers, with the exception of two, were present. When the question of the monarchy was brought up for discussion Mr. Loh Tseng-tsiang, Minister of Foreign Affairs, said that the suggested change, if made at this time, would probably create diplomatic difficulties, and the solution of the succession problem should be sought in the constitution. His views were shared by the majority of the Ministers present and a resolution was passed that the same should be formally communicated to the President. It is predicted that the end of the Chou An Hui is at hand and the vigorous campaign of the monarchists will soon terminate. The general belief is that a chapter will be provided in the Permanent Constitution making the office of the President hereditary.

THE TSAN CHENG YUAN.

Petitions of Monarchists Rejected.

The Tsan Cheng Yuan as we intimated in our last issue announced held an informal meeting yesterday at one p.m. at which most of the members were present. Upon the arrival of the representative of the President the meeting was at once called to order by the chairman, Vice-President Li Yuan-hung.

Mr. Yang Shih-chi, representing the President, then read a message on behalf of the President [which is reproduced in our Editorial columns] declaring that the present moment was inopportune for change in the form of the State.

Mr. Yang left immediately after reading the message in question.

The members of the Tsan Cheng Yuan then discussed the advisability or otherwise of discussing the petitions presented by the Chou An Hui advocates. An ad hoc committee was then appointed to consider the question and report on it, the members consisting of seven. The committee at once set to work and returned with the report that as the question raised by the petitioners was a change in the form of the State it was not within the power of the Tsan Cheng Yuan to discuss. The petitions were therefore shelved. The committee however suggested that all such petitions should be presented to the Citizens' Convention, which representing the people as a whole and with authority to decide things of this nature, should handle such a grave question.

The members then passed a resolution that the Tsan Cheng Yuan as a body will not have anything to do with the change of the form of state. The assembly then dispersed.

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TUESDAY, SEPTEMBER 7, 1915

THE CONSTITUTIONAL CRISIS.

THE PRESIDENT'S MESSAGE.

As was exclusively announced in these columns yesterday morning, a meeting of the Council of State was held in the afternoon at which the Vice-President presided and the Senior Under-Secretary of State attended and read a message on behalf of the President on the subject of the monarchical movement which is now agitating the heart of the nation. The following is an authoritative English version of the Presidential message:

"It is now four years since the people have entrusted me with the high office of President of the Chinese Republic. Moved by the fear that the task might be beyond my capacity, I have laboured, during the past troublous years, under much anxiety and misgiving and have looked forward to the time when I might be relieved of the pressing burdens of the State and permitted to retire from the same.

"But whilst I occupy my present position, it is my imperative duty and responsibility to protect the country and the people. It is also my special duty to maintain the Republic as the existing form of government. Many citizens from the provinces have been lately petitioning the Tsan Cheng Yuan in its capacity of the Li Fa Yuan, calling for a change of the form of the present government of the country. But this is incompatible with the position that I hold as President. Since, however, the office of President is conferred by the people, the same must depend on the will of the people. And since the Tsan Cheng Yuan in its capacity of the Li Fa Yuan is an independent body and is therefore free from external interference, I ought not—strictly considered—to express or communicate any views [on the issue raised by the aforesaid petitioners] to the people of the country or to the Tsan Cheng Yuan in its capacity of the Li Fa Yuan. Inasmuch as any alteration in the form of government makes and involves an important and radical change in the Executive Power—and since I am the Chief of the Executive—I feel that it is impossible for me to observe silence, even though speech may expose my motives to the risk of misinterpretation.

"In my opinion a change in the form of government carries with it such a momentous alteration in the manifold relations of the State that the same is a matter which demands and exacts the most careful and serious consideration. If the change is decided in too great a haste, grave obstacles will arise. The duty being mine to maintain the general situation, I have to state that I regard the proposed change as unsuitable to the circumstances of the country.

"As to the aforesaid petition of the citizens, it is obvious that the object of the petitioners is precisely to strengthen and secure the foundation of the State and to increase the prestige of the country; and it is not to be doubted that if the opinion of the majority of the people of the country is consulted, good and proper means will assuredly be found.

"Furthermore, it is not uncertain that a suitable and practicable law will be devised, if due consideration of the conditions of the country and careful thought and ripe discussion enter into the preparation of the Constitution of the Republic which is now being drafted.

"I commend this to your attention, Gentlemen of the Tsan Cheng Yuan, in your capacity as acting members of the Li Fa Yuan."

To Dept. 19 NOV 1915

AMERICAN CONSULATE GENERAL

No.644 Shanghai, China, November 12,1915.

Subject: Assassination of Admiral Tseng, Chiangchun and Commissioner of Defense at Shanghai.

Sub
Recd 19 NOV 1915
Ack.
Ans.
Ref.
Ans.

The Honorable Paul S. Reinsch,
American Minister,
Peking, China.

800

Sir:

It is with great regret that I have to report to the Legation the assassination of Admiral Tseng Ju-cheng, Chiangchun and Commissioner of Defense at Shanghai, which occurred in the International Settlement of Shanghai on Wednesday, November 10th, in the immediate vicinity of this Consulate General.

Admiral Tseng came to Shanghai during the summer of 1913, when the rebellion was on in full force here, and very soon suppressed all disturbances in this district, holding it, thenceforth, under firm but just control and working in complete harmony with the Chinese civil authorities for the peace of the port and for the improvement of the condition of public works, et cetera.

Admiral Tseng was greatly admired by the foreign officials and residents of Shanghai who placed in him entire confidence, and who gave him more respect than I have

have ever before seen shown to any Chinese official at the port.

The Admiral was known as a loyal adherent of President Yuan, and while during the recent monarchical movement he has considered it discreet to remain silent on the subject, it is well known that he was in strong sympathy with the President and keenly alert to prevent any possible local disturbances growing out of the movement.

An attempt on his life was made some weeks ago in the French Settlement while he was at the Tientsin steamer sending his family north. The bomb thrown missed him, however, a ricksha coolie nearby being the only person harmed.

On last Monday I called upon Admiral Tseng to present the senior American naval officer in port, Captain Brotherton, and at that time he expressed himself to me as well satisfied that whatever discontent or unrest might have been shown here over political conditions was gradually disappearing, indicating that but for a few bomb throwers and newspaper agitators local conditions were quite satisfactory.

On Wednesday, November 10th, while Admiral Tseng was en route in his automobile to the Japanese Consulate General (situated in the International Settlement next to the American Government offices) to attend an official reception upon the occasion of the coronation of the Emperor of Japan, two Chinese approached his motor car just after it had passed slowly through the congested traffic on the Garden bridge, and after hurling a bomb and missing, they jumped

on

on the running board on either side of the car and levelling long Mauser automatic revolvers (resembling minature machine guns) they discharged them into the Admiral, killing him instantly, riddling his body with sixteen shots, and mortally wounding one of his attendants riding with him, who died several hours later.

Two foreign police inspectors on the spot immediately ran to the car and seized the assassins, who presented their revolvers in an attempt to resist arrest but discovered that the magazines had been exhausted. A fight between the two inspectors and the Chinese assassins ensued, a large Chinese crowd gathering around but all refusing to assist.

The assailants were finally overpowered and placed in custody.

The American Assessor, Mr. Perkins, who in the regular rotation would be the assessor of the day at the Mixed Court following the affair, was notified and with the Chief Magistrate of the Court went immediately to view the body,- which had been removed to a hospital and thence to the police station,- and gave permission for its removal.

On yesterday morning (Thursday) the two Chinese assassins were arraigned in the Mixed Court and the hearing of the case against them was begun.

In previous conversation with Assessor Perkins I had agreed in his view that we should cooperate fully with the police and, if they desired it, remand the case for special hearing at a later date in case the police should desire to make further investigation with a view to the possible arrest of any others connected with the plot who might be found.

found.

Such request was made at the Court by the police legal adviser, and not objected to by the foreign counsel retained by the Chinese Government, nor by the American attorney instructed for the defense.

On yesterday (Thursday afternoon) however, Mr.E.C. Pearce, the Chairman of the Municipal Council, accompanied by the Captain Superintendent of Police, called on me at the Consulate General and informed me that there seemed to be an effort being made to stir up considerable feeling in behalf of the prisoners amongst certain classes of Chinese, and for the peace of the Settlements it was considered highly desirable that the trial should be had immediately and the men conveyed by launch directly to the Chinese military authorities at the Arsenal.

I expressed the desire to cooperate to the fullest extent with the Municipal authorities, and after consulting with the American Assessor, instructed him to agree to an evening session of the Court for the purpose of hearing and deciding the case.

The hearing was had at 7 p.m.; the evidence of the prosecution was led; the defendants pleaded guilty, making complete statements as to the details of the crime but refusing to implicate others or to give any information which might assist in further investigations.

Judgment of the Court was entered finding the defendants guilty and ordering them to be turned over to the Chinese authorities and dealt with in accordance with the

Chinese

Chinese law.

The prisoners were promptly conveyed out of the settlement by launch and, as usual, handed over to the custody of the authorities of the office of the Commissioner of Defense.

The two men are both northerners, one being from Kirin and the other from Chefoo.

I learn from the Captain Superintendent of Police of the International Settlement that he feels satisfied that they were acting for political agitators who are known to have their headquarters in the French Settlement but who have been little molested by the French police.

There are today no indications of any further trouble at the port.

General Yang, the division commander of the northern troops, heretofore stationed at Sungkiang, on the railway line from Shanghai to Hangchow, has come to Shanghai to assume command in the place of Admiral Tseng.

There are about 3,500 northern troops in the Shanghai district, and some 2,000 or more at Sungkiang who recently arrived from the North.

There is little doubt that with these forces, which are understood to be under satisfactory discipline, any possible disturbances outside the settlements can be controlled, and as to the settlements, with the police and volunteer forces, and the French forces in the French Settlement, with the American naval forces in harbor to assist, if necessary, any possible trouble can be suppressed.

No difficulties are now expected, however, although vigilance is not being relaxed.

I

I have kept the Senior American Naval Officer Present, Captain W.D. Brotherton of the U.S.S.HELENA, informed of events and would cooperate with him fully in case necessity for the assistance of the Navy should arise.

I have the honor to be, Sir,

Your obedient servant,

American Consul detailed as
Vice Consul in Charge.

In duplicate to the Legation.
Copy direct to the Department of State.
Copy to Admiral Winterhalter, U.S.N., Commander in Chief, U.S. Asiatic Fleet, in accordance with his request and for his information.

800
G/A

Consular Despatches on Monarchical Movement

Subject.

Recd.

Ack.

Ans.

Ref.

Ans.

Peking,

No. 820.

November 12, 1915.

700

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

In continuation of the Legation's despatch No. 782 of October 11th, concerning the monarchical movement, I have the honor to enclose, for reference, the following despatches from various consular offices in China:

Swatow,	No. ---,	October 4th, 1915;		
Foochow,	" 55,	" 5th, " ,	and	
"	" 58,	November 1st, " ;		
Shanghai,	" 617,	October 11th, " ,	and	
"	" 626,	" 21st, " ;		
Mukden,	" 96,	" 16th, " ,		
"	" 97,	" 28th, " ,		
"	" 98,	" 30th, " ,	and	
"	" 99,	November 5th, " ;		
Nanking,	" 54,	October 27th, " ,		
"	" 55,	November 3rd, " ,	and	
"	" 57,	" 8th, " ;		
Changsha,	" 16,	October 29th, " ;		
Canton,	" 292,	November 2nd, " ;	and	
Hankow,	" 113,	" 5th, " .		

At the

At the present writing, reports on the elections have been received from practically all the provinces, which are to the effect that the change of the form of state to a monarchy has been accepted unanimously by the designated electors.

The question as to how far this vote is to be taken as a free expression of public opinion, or of the "Will of the people", is one open to discussion and doubt. In all cases, the electorate was not a large one, but was limited through high property and educational qualifications. The vote cast in the primary elections was in most cases small, and indications are not wanting that in several of the provinces the officials exerted their influence to the end of constituting the electoral body in a sense favorable to monarchy. On the other hand, instances of direct intimidation or bribery have not been reliably reported. The unanimity of the electors is generally accounted for by referring to the timidity of the Chinese: the votes were given in writing, signed with the name of the elector, and it is likely that, as everybody recognised that the tendency has strongly set in the direction of a monarchy, none of the electors was willing to espouse a losing cause, notwithstanding what their personal preferences might originally have been.

No organized opposition to the movement has appeared anywhere, but it is apprehended that revolutionaries, who are strongly dissatisfied with the monarchical movement, will have recourse to acts of individual violence, such as that to which Admiral Tseng Ju-cheng, the Military Governor of Shanghai, on the 10th instant, fell a victim.

I have the honor to be, Sir,

Your

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

As stated.

800.

A true copy of the signed original.

AMERICAN CONSULATE-GENERAL

No. 666.

Shanghai, China, December 7, 1915.

Subject: Political Disturbances at Shanghai.

Sub.
Recd. 10 DEC 1915
Ack.
Ans.
Ref.
Ans.

The Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sir:

800

I have the honor to report that on Sunday evening, December 5th, at about 6.30 o'clock, between thirty and forty Chinese political agitators proceeded up the Whangpoo River in a launch, presumably from the foreign settlements of Shanghai and, seizing the Chinese cruiser CHAOHO, lying off the Kiangnan Arsenal, to the south of Shanghai, succeeded in holding the ship for about twelve hours, turning its guns on the Arsenal in an attempt to reduce that place which with the surrounding country is held by between three and five thousand loyal northern troops.

Shells from the cruiser fell well into the foreign settlements of Shanghai slightly damaging several foreign residences and Chinese dwelling houses but no deaths or injuries are reported amongst foreigners, or amongst Chinese in the settlements. There were several killed on the CHAOHO and the other Chinese war vessels. A two-inch shell struck the roof of the American Presbyterian (South) Mission at the South Gate of the native city but did no damage. Other shells struck in the immediate

vicinity

vicinity of the Mission.

I am informed by the officials that the rebels gained the decks of the cruiser by flying the flag of the Chinese Admiral, Sah, who is visiting Shanghai on an inspection trip to the Arsenal, saying they had come to visit and inspect the ship, and then gradually scattering into small groups they took possession and drove the crew below. There were evidently few of the officers or crew aboard.

The CHAOHO is a cruiser of 2400 tons, used as a training ship. It was built in 1911 and is armed with two six inch guns, 4 four inch, 2 fourteen pounders; 6 three pounders; and 2 one pounders.

Fortunately only the smaller guns were used in the attack on the Arsenal, the keys to the magazines containing shells for the larger guns having been dropped overboard when the cruiser was seized.

One report has it that the boarding party consisted partly of former students of one of the naval colleges, and another indicates that the rebels required the crew to man the guns.

When the CHAOHO opened fire on the Arsenal, two other Chinese warships lying in the vicinity answered the fire and an exchange followed for some twenty minutes or half hour.

The loyal ships, however, evidently did not succeed in doing any damage.

The CHAOHO was lying close to the Arsenal. Northeast, in the direction of the foreign settlements were the Chinese men-of-war KINGCHING, FOONGAN and HAISHEN, to the southeast the TUNGCHI and the YINGSWEI. Only the HAISHEN and the YINGSWEI were in a position to do anything in silencing the CHAOHO, however, the others being of small armament or out

of commission

of commission. It was difficult for these two cruisers to fire on the CHAOHO, however, without hitting the other ships lying between.

Vice Admiral Lee, commanding the Chinese naval forces at Shanghai, was in the Settlements at the time giving a dinner party at one of the leading foreign restaurants. He maintains his private residence in the Settlements as does General Yang, in command of the military forces.

There had been no indication of trouble during the day, the seizure of the CHAOHO being a most complete surprise to both officials and foreigners alike.

After 7.30 p.m. comparative quietness reigned in the vicinity of the Arsenal until about 5 o'clock in the morning of the 6th when a naval bombardment lasting some ten minutes was heard. This was conducted by the loyal ships, under instructions from Peking to attack the CHAOHO and, if necessary, sink her. The shells struck and damaged the CHAOHO, whereupon the rebels deserted. The Chinese ships between the CHAOHO and the loyal ships firing had meanwhile slipped their cables and moved out of the line of fire. The rebels fled to the Pootung shore of the river taking with them the executive officer of the ship. They were followed by northern troops from the Arsenal and according to press reports six of them were subsequently captured. The CHAOHO is now again in the control of the Government.

At the same time that the CHAOHO was seized, attempts were made to capture the Chinese police stations in Chapei, north of the foreign settlements, and in the native city, to the south. Neither attempt succeeded. One Chinese policeman was killed by a bomb in the Chapei fight.

Immediately after the firing at the Arsenal was heard, the Consulate General placed itself in touch by telephone with the American missions and hospitals in the neighborhood of the native

the native city and Arsenal, which were known to be in the area of the firing. We were also in prompt touch with the police and the Chinese Foreign Office and Commander W. D. Brotherton, Commanding the U.S.S. HELENA, Senior Officer Present at Shanghai was in telephone communication with me shortly after the trouble started.

Through the secretary to the Special Envoy for Foreign Affairs the Consulate General was in touch by telephone with General Yang and Mr. Yang Tcheng, Councillor of the Generalisimo's office, both of whom were at the Arsenal and was thus able to obtain authoritative information on the situation long before it could be had by the Settlement authorities who reported themselves as having been unable to reach the Arsenal.

Considerable uneasiness was expressed by the Foreign Office and also by foreign officials in the Chinese Government services, that the CHAOHO might, finding itself outwitted at the Arsenal attempt to put off down the river and for the purpose of creating complications, drop shells into the foreign settlements in passing.

This possibility - although somewhat remote - was communicated by me to Commander Brotherton, who issued instructions to the American naval vessels to prevent the shelling of the Settlements in such an event by firing if necessary.

The river along the foreign settlements is well guarded by three American gunboats and four destroyers, besides one or two smaller craft, so that any evil-intentioned move on the part of the CHAOHO could easily have been checked.

A request had previously been made of Commander Brotherton by Captain W. F. Tyler, the Coast Inspector of the Chinese Maritime

Maritime Customs, to send a gunboat up into the immediate scene of the CHAOHO's activities. This request which was made unofficially was refused by Commander Brotherton, who informed me of his action, in which the Consulate General heartily concurred. When a similar desire was mentioned to me by the Foreign Office, it was pointed out that the American navy should not interfere in the affair so long as it did not menace the foreign settlements but that in the event of attack on the settlements the American Navy was quite prepared to take effective measures for the protection of foreign lives and property. This explanation was quite satisfactory.

The military are in full control of the situation on the Shanghai shore, General Yang having the advice and assistance of Mr. Yang Tcheng, formerly the Special Envoy for Foreign Affairs and Taoyin at Shanghai, who is looked upon here as a most able official.

Martial law has been declared as existing on the Whangpoo River from the foreign settlements up and patrol boats are understood to be on duty watching launches and other water traffic.

The removal of refugees from the native city to the foreign settlements was stopped on the night of the trouble by the military and while a number of refugees have reached the settlements from the surrounding country and by water, there has been no such influx as during the 1913 rebellion.

Through the courtesy of the Foreign Office, which is inside the foreign settlements, I visited the American mission at the South Gate of the native city in the afternoon of December 6th accompanied by Vice Consul Perkins and a secretary of the Foreign Office not only to evidence the

interest

interest of the Consulate General in the safety of the mission but also in order to determine for myself the accessibility of this mission in case of trouble necessitating the removal of the Americans there to a place of safety.

This mission is likely to be in the direct line of fire in case of a land attack on the Arsenal from the direction of the Settlements, or a water attack from the naval vessels off the Arsenal.

There is a girls' school with some 300 pupils at this mission, as well as a school for boys. I have encouraged the Mission to permit all the students to return to their homes when sent for by their parents, so that only a few students now remain and I have impressed upon Dr. Silsby, representing the mission that in view of their exposed position it is incumbent upon them in case of trouble to remove as promptly as possible to a place of safety within the foreign settlements.

There are mission hospitals and girls' schools also near the West Gate, but close to the edge of the French Settlement. These also will be encouraged to remove as promptly as possible to the settlements in case serious trouble threatens.

As this report closes on the morning of December 7th, I may add that on the night of December 6th a force of rebels placed in the neighborhood of 300, armed with bombs and rifles, attacked the police headquarters at the West Gate of the Native City, but were easily repulsed with small losses. In retiring to the edge of the French Settlement, the rebels caught sight of the uniforms of the French police and opened fire on them, the fire being returned. The rebels broke and fled, taking refuge in Chinese dwellings along the

borders

borders of the French Settlement, whence, undoubtedly, they originally came. A number of arrests were made by the French police.

The Volunteers of the International Settlement were mobilized about 3 a.m. on this morning and placed on duty guarding the borders of the International Settlement against any possible visiting rebel bands.

I have the honor to be, Sir,

Your obedient servant,

American Consul, detailed as
Vice Consul in Charge.

Enclosures:

Despatch in duplicate.
One Copy to Department.

800
G/L

AMERICAN CONSULATE-GENERAL

No. 668. Shanghai, China, December 7, 1915.

Subject: Attempted political uprising at Shanghai.

Sub.
Recd. 11 DEC 1915
Ack.
Ans.
Ref.
Ans.

800

The Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sir:

I have the honor to enclose, for your information, clippings and editorial from the North China Daily News of December 6th and 7th dealing with the attempted political uprising at Shanghai.

I have the honor to be, Sir,

Your obedient servant,

American Consul, detailed as
Vice Consul in Charge.

Enclosures:

Despatch in duplicate.
One copy to Department.

800
G/L

[redacted]

REVOLUTIONARY OUTBREAK IN SHANGHAI.

CRUISER CHAOHO IN POSSESSION OF REBELS.

SHELLS IN THE SETTLEMENT.

About half past six o'clock last evening a steam launch containing about twenty men went up the river from the direction of the International Settlement and drew alongside the Chinese cruiser Chaoho, a vessel of 2,750 tons displacement and armed with two six-inch, four four-inch, two three-inch, six three-pounder and two one-pounder guns and manned by a crew of 330 men. It is authoritatively stated that the crew immediately revolted, but the officers remained loyal. Almost immediately the cruiser opened fire upon the Kiangnan Arsenal. At first the shooting was somewhat erratic and several shells came over the French Concession and the International Settlement, at least two foreign houses being struck. Firing from the cruiser ceased after half an hour.

Another report states that a party of men on the Pootung shore opened fire on the men-of-war in the river and that they had guns of about three-inch calibre, but that they drew off later. It is established as a fact that there was a considerable amount of rifle firing and that it was desultory until about nine o'clock, when it died down. It is not known what happened to the officers of the Chaoho.

It appears that the cruiser Haichi and the gunboat Tungshing are both in the river near the Arsenal and that they remain loyal, watching the Chaoho, but not attacking, as an engagement would result in shells coming into the foreign quarters. Developments are expected this morning. The Haichi is a cruiser of 4,300 tons; her biggest guns are two eight-inch weapons and her secondary armament consists of ten 4.7 in. and twelve three-pounder guns, with smaller weapons and maxims.

In the Settlement.

So many rumours were in circulation in Shanghai last night that it was very difficult to obtain the facts with regard to the outbreak. Shanghai was, however, immediately made aware of the trouble by the unmistakable tune of shells overhead, and at least two buildings were actually struck, but fortunately no one, so far as we could ascertain, was injured either in the French Concession or in this Settlement. Heavy guns were first heard and dwellers in the Western District were attracted to points of vantage. But in a few minutes the scream of the shells became distant. Nothing in the nature of a broadside was heard, one gun firing after the other at irregular intervals. At one time some persons thought they heard rifle shots. Rumours quickly spread and the Chinese were of opinion that the men-of-war had gone over to the rebel cause and attacked the Arsenal. The actual firing of big guns lasted about half an hour.

Exactly how many projectiles have fallen within the limits of the Settlement is not at present known though three have come to the knowledge of the authorities.

Foreign Houses Struck.

Shortly after seven o'clock a steel projectile hit the wall between two parts of Bickerton's Hotel with a glancing blow, as the result of which the shell ricochetted through a pantry window. It traversed the whole length of the apartment and after gouging a fair piece out of a cupboard door fell to the ground. The miraculous part of the whole affair is that the shell missed about eight Chinese boys, who were engaged in preparing the dinner.

The shell had apparently broken either in the course of its flight or in hitting against the wall of Bickerton's. The pointed fragment which was recovered was that of a solid steel armour-piercing projectile such as would be used for a naval gun.

The other projectiles fell in Manila Road, near the junction with Chungking Road, doing damage to Chinese houses. It is reported that these shells have been taken possession of by the police.

One shell struck the joist in the roof of Mr. Wisner's house in Rue Chapsal in the early part of the firing and was deflected though two bedrooms, doing considerable damage, passing out of a window towards the compound of the French School.

Up to a late hour last evening no authoritative information had been received by the police, though a section of the volunteers were ordered to hold themselves in readiness for any call that might be made upon them.

Reporters Fired Upon.

As soon as a launch could be procured members of our staff made journey up the river, but when the vessel arrived almost opposite the Arsenal she was suddenly hailed by the first Chinese man-of-war and was immediately ordered to turn back.

The lookout on the warship was particularly keen, for no sooner had the launch got within distance than a shot, presumably from a rifle, was fired. The laodah was interrogated and it was suggested that those on board were members of the rebel party. A turnabout was at once made and the action was accompanied by two more shots, followed shortly afterwards by a discharge from a heavier weapon. The incident only lasted a few seconds, but it was quite long enough to show that the authorities were on the *qui vive* and were taking no risks whatever.

Throughout the night searchlights were flashing from the men of war and the Arsenal and every preparation was apparently made against surprise during the night. The launch in question got safely back to Shanghai and on it return journey a most amusing "observation" was made by the laodah. Although the corner was a tight one, the laodah stuck to the wheel faithfully, while the other occupants of the wheelhouse were trying to dodge "imaginary" bullets. One of the members of the party was asked if "he muchee fear", and on answering that he did not, he was promptly met with the pointed question:—"Suppose no fear, how fashion makee lie down-side?"

A resident who was driving along the road leading from the Shanghai-Ningpo-Hangchow railway station with his wife and two children at the time the firing started said that the firing of shells started apparently from the cruisers or gunboats in the river and that the firing was directed against Pootung and that nothing could be detected as to any attack from this side or that any shells were being fired to this side of the river. He heard some rifle firing, but it was a long way off and he was unable to distinguish from which direction it came. He drove to his house in the French Concession without any untoward incident occurring.

Chinese Refugees.

At every street corner on the Rue de Consulat and on the Avenue Joffre, from nine o'clock onwards crowds of Chinese had collected, also at various teashops along the route, but the gatherings were of a very orderly description and were evidently only discussing the affair. The tramcars going in the direction of Sicawei were all crowded with Chinese, whilst along the roads leading in the same direction were to be seen many families with their belongings, bent presumably on getting away from what was the fighting zone two years ago. There was no evidence of disorder amongst any of the crowds or parties seen, and appearances gave the impression that the refugees were prepared beforehand to clear out.

An eyewitness of the firing, who saw it all from the roof of his house near the Nanyang Wharf, states that he first saw the firing from the Pootung side directed towards the Chinese men-of-war in the river. At this time there was both rifle and gun fire. Later the ships opened fire in the direction of Shanghai and then the Arsenal guns open upon Pootung. He distinctly saw one shell burst against the side of one of the men-of-war engaged.

Until nine o'clock there was desultory rifle firing going on in Pootung and in the direction of the Pagoda and at about 8.45 p.m. one gun was fired from the man-of-war in the direction of Shanghai.

Strong Guards Everywhere.

A trip round the Chinese city last night showed that the northern troops were loyal to the Government and were in duty in force with bayonets fixed and cartridge pouches filled. An effort to reach the Arsenal by way of the Chinese Bund failed. Two bodies of gendarmes were passed on the presentation of a card, but on arrival at the first picket of the northern troops a card to the officer was returned marked "In the Chinese city," which might have been taken to be a pass or anything else and as there were large bodies of troops moving about it was thought better not to make a further effort to reach the Arsenal where it was understood were assembled all the local high officers, including Admiral Li and Mr. Yang Tcheng. The return journey was broken by no fewer than four peremptory challenges.

Martial Law.

At one o'clock this morning everything was quite in the Chinese city and on the river. An hour later however, desultory firing again broke out. We are asked to state that the river is placed under martial law.

DECEMBER 7, 1915.

THE OUTBREAK AT THE ARSENAL.

HOW THE CRUISER CHAOHO WAS SEIZED.

OFFICIAL AND UNOFFICIAL DETAILS.

The official story of yesterday's disturbance, as told to a representative of the "North-China Daily News" by the authorities at the Arsenal, is as follows:—

Shortly before 5 o'clock a launch, coming from the direction of the Settlement steamed up alongside the Chaoho. On board her were about thirty young men of the student class, dressed in foreign clothes, the leaders of whom were acquainted with some of the officers on board the cruiser. On arrival on board they asked permission to show the party which they had brought with them over the ship, and in view of the fact that some of them had been naval students, permission was readily granted. Accordingly the whole party went aboard.

Then began a personally-conducted tour of the vessel, in the course of which the party very cleverly split itself up into groups, each group stationing itself at one or other of the larger guns. The Chaoho is used for training men for the navy, and consequently the guns are of various descriptions. When the tour had proceeded sufficiently long for the groups to take up their positions, the leaders drew their revolvers and gave the gunnery officer, Lieut. Wang, who was showing them round, the choice between instant death and handing over the keys of the magazines. Lieut. Wang appears to have faced the situation coolly, endeavouring, no doubt, to gain sufficient time for something to happen. What did happen is, even according to the official account, somewhat vague.

The Vessel Seized.

The full complement of the Chaoho is 330 officers and men. About half that number were on board, and yet the party of thirty were able to obtain complete control, after killing not more than four men. Some of the crew jumped overboard; those who did not were thoroughly cowed. In the confusion, however, somebody had sufficient sense to secure the key of the magazine in which is kept the ammunition for the 6-inch guns, and to throw it overboard. The key, however, of the magazine containing ammunition for the smaller guns was handed over to the rebels, who proceeded to make use of it. In a very short time they had opened fire on the Arsenal.

Position of the Ships.

It is necessary to have an accurate idea of the position of the Chaoho and the other Chinese vessels in her vicinity to understand what followed. The Chaoho herself was lying in mid-stream immediately opposite the Arsenal. Northeast of her lay the Kingchung, the Foongan and the Haishen, one behind the other in the order named. Southeast lay the Tungchi and the Yingswei. Of these five vessels only the Haisheng at one end of the line and the Yingswei at the other could do anything to silence the Chaoho, for the Foongan is a transport, the Kingchung is undergoing repairs, is minus her engines and has no armament to speak of, while the Tungchi had no steam up. Yet these three vessels were so placed that, in the dark—for it was dark by the time the Chaoho opened fire on the Arsenal—the Haishen and the Yingswei were afraid to open fire for fear of damaging them.

At this point the Paotiyin Ford, which stands about 300 yards below the Arsenal boundary near the Chinese Waterworks, let fly at all the cruisers in case they were disposed to follow the example of the Chaoho and it was at this time that some of the shells which fell into the Settlement must have been fired by the Chaoho, whose guns were manned by her own crew labouring at the business end of revolvers, yet re-

running alongside *stop-frost* to the high and clear the Arsenal, the Fort and everything else that the rebels wanted to hit. The Chaoho fired in all eighty-five three-inch shells as numbered from the empty cartridge cases found on board.

Boarding Parties.

It was decided to attempt to silence her by boarding parties and several boat-loads of soldiers started out from the Arsenal. Their attack, so runs the official account, was driven back by bombs, revolvers and the ship's guns, and the rebels remained masters of their prize. Nothing more occurred until between twelve and one o'clock in the morning, when the Tungchi slipped her anchors and got out of the way of the Yingswei the idea of this manœuvre being that at the earliest streak of dawn the Yingswei should open fire on the Chaoho.

About 5 o'clock, or little later, this was done, and in a very short space of time the rebels had had enough. One shell struck the Chaoho about six inches above the water line, another shot hit her bows, while the third struck the base of the forward conning tower. Here, apparently, the rebels, beginning to repent of their escapade had clustered for safety and promptly decided that they had better make a bolt of it. They scrambled into boats, shoved off and through the mist made good their escape to the Pootung side of the river. Boat-loads of soldiers started off in pursuit, but not before the rebels had had time to get clear away. Later, in the afternoon, it was reported at the Arsenal that six of the fugitives had been taken.

Unofficial Accounts.

Unofficial accounts state that practically all the officers were absent when the party of rebels arrived, many of them having to attend a dinner party which was to be given in the Settlement to General Yang. It is also stated that shortly before the incident commenced the officer in comand received a caller in the person of a friend, with whom he left the ship, and that more than the usual number of the crew had been given leave of absence. There are various theories as to the origin of the outbreak, one of which points to the fact Sunday was being specially selected for a rising two weeks ago. As all events, a prominent Shanghai resident informs us that he was warned three weeks back that a rising had been fixed to begin on December 6. A report, too, was current at the Arsenal yesterday to the effect that the arsenal had been affected of a Chinese journalist, who is said to have been in touch with several different parties of rebels, all prepared to act simultaneously in various localities. We have been able to get no confirmation of this report.

Concerted Attacks.

During the bombardment a party of rebels is said to have attempted a diversion from the direction of the Hangchow Railway. There was some rifle firing, but the coolness of the garrison of the Arsenal frustrated their efforts.

It is also stated that 40 or 50 Chinese, mostly unemployed, were in readiness in the Settlement to rally to the rebel headquarters, which, apparently, were planned to be at the chief police-station on Nanking Road. Although the station was bombed and one soldier killed and two wounded, the celerity with which Major-General Shu took command and threw out strong pickets and prohibited anyone entering from the French Bund frustrated this plan also.

At 4 o'clock this morning the police at the junction of Kiaifong and North Tibet Roads, in Chapei, heard revolver shots followed by two rifle shots. It appears that thirty to forty rebels armed with rifles and bombs raided a sub-station of the Chapei Chinese Police. The rebels threw four bombs, three exploding and killing one policeman and wounding three. A body of regular troops quickly arrived on the scene whereupon the rebels vanished.

One three-inch shell damaged No. 2 Chungking Road, others landed at the Race Club, Captain McEuen's garden and Ravenscourt, 159 Bubbling Well, but damage, up to the present reported, is very slight.

During the firing the river gunboat Kiangching, moored off the upper end of the Nantao Bund was hit in three places and two men were killed and five injured.

The Boy Scouts.

The Baden-Powell Scouts took advantage of the outbreak on Sunday evening to demonstrate to the community their value as an adjunct to the forces of the Settlement. Within half an hour of the fact being known that there was trouble at the Arsenal the Scouts were ready for work, which in this instance took the form of procuring information for the Volunteers and the Police. At 7.15 p.m. a squad consisting of signallers—Morse and semaphore—buglers, cyclist despatch riders and first aid scouts, had been assembled to stand by for orders at Scoutmaster Lloyd's house at Bubbling Well. District Scoutmaster Hertslet, of the Chinese Scouts' Association, also established his headquarters at Mr. Lloyd's house, to act as a base for the Seventh troop of Chinese Scouts, under Scoutmaster Johnstone, Puhtan College, who extended a line of scouts through Baikwei across country to the Arsenal.

From the Chinese Troop's Headquarters at Puhtan, constant messages were received at the Baden-Powell temporary headquarters for transmission as considered necessary to the Volunteer Headquarters by the Baden-Powell Scouts.

It was not thought necessary to mobilize the whole troop but merely sufficient to attend to telephone messages from the Chinese troop and to keep in touch with the Volunteer Headquarters, and for the purpose of calling out the remainder.

The river presented its usual appearance all day yesterday except for the fact that throughout the morning and the early part of the afternoon sampans and launches were still to be seen crowded with refugees carrying all their worldly possessions out of what they obviously believed to be a dangerous zone.

At about noon the authorities at the Arsenal issued a proclamation calling on the people who had left, and those who had re-

moved their property, to return. It further stated that there was no further reason for leaving the city and urged the people to carry on their business as before, as everything was quiet.

Admiral Sir C. P. Sah made his way to the Arsenal from the Palace Hotel as soon as he learnt of the outbreak and ably assisted Admiral Lee and the officials all of whom displayed the utmost coolness and resource.

An interesting sidelight which, if verified, may lead to important discoveries, is the statement that the launch which carried up the rebel party had a yellow funnel.

H. E. Yang Tcheng expressed his appreciation of the readiness with which Captain McEuen took measures to assist the Arsenal authorities in the restoration of order.

DECEMBER 7, 1915.

MORE FIGHTING LAST NIGHT.

VOLUNTEERS CALLED OUT.

Shortly before eleven o'clock last night rifle shots were heard in the district round the west gate of the Chinese city, but after about a quarter of an hour firing, which was not heavy, ceased. Shots were also heard in the direction of Chapei and later it was reported that the Chapei police had run away and left the district unguarded. Before midnight there was more firing of rifles and revolvers in the direction of the West Gate and Pont St. Catherine and the French police were out in force.

It appears that a body of Chinese about 300 strong, armed with bombs, revolvers, etc. had made a move upon the native city, but were repulsed by the genarmerie, who fired upon them, and they retreated towards the French Concession. The French police were engaged trying to prevent them coming into the Concession but a party of the men was discovered on the piece of waste land off the Rue Eugene Bard, and then were taking cover also among some Chinese houses.

The French police captured about fifteen men in a very short time and at the time of writing the police are still actively engaged in trying to restrict the area of the trouble.

During the afternoon the French Police captured about thirty Chinese armed with rifles, revolvers and bombs at Siccawei and also a flag bearing the characters "Provisional Commander-in-Chief of the republican army."

The Shanghai Volunteer Corps was called out at one a.m. and immediately the men took up their defence stations, and were ordered to search all Chinese coming into the International Settlement.

Shortly before two o'clock the firing of a heavy gun two or three times was heard.

3 a.m.

The volunteers turned out smartly and all the entrances to the Settlement were strongly held, especially along the Yangkingpang and over against Chapei. Motor cars were brought into service and messengers were travelling rapidly from point to point on motor cycles. Desultory rifle firing was heard in the direction of Pont St. Catherine, but it was impossible to visit the outlying districts, a motor car being held up and fired upon in Rue Montigny.

The North-China Daily News
ORGANIAL NOT NEUTRAL.
SHANGHAI, DEC. 7, 1915.

THE OUTBREAK AT THE ARSENAL.

Only in China and possibly one or two South American republics could the events recounted in yesterday's and to-day's issue in connexion with the revolutionary outbreak at the Arsenal have taken place. A party of would-be heroes, with enough pluck to last them up to the crucial moment, charter a launch and set out armed with bombs and revolvers to capture a cruiser of 2,750 tons with six-inch, four-inch and three-inch guns. They get on board by a ruse, threaten to take the life of the lieutenant in command of the vessel unless he hands over the keys of the magazines, succeed in overawing some 150 men after killing four of them and force the ship's gunners to open fire. The gunners, with an excusable eye to the main chance, fire at an elevation that ensures their missing everything the buccaneers want them to hit and endangering the life and property of a neighbouring foreign settlement not in the least interested in either side and immersed in the ordinary, peaceful avocations of a Sunday evening. There are five other vessels in the fleet thus attacked, three of which could do nothing even if they wanted to and two of which are so placed as to be doubtful of hitting their target. In the meantime one side of the river, which fairly bristles with guns, rifles and bayonets is thrown into great excitement and a fort opens fire on the whole fleet with wide impartiality. This proving insufficient, boarding parties are organized and ordered to attack the cruiser. They get a mixed welcome of bombs, shells, revolver and rifle bullets and retire much shaken but with no casualties. A council of war is held and it is decided to manoeuvre the fleet so as to give it room to hit the enemy without damaging itself and orders are given to open fire at the first streak of day. The order is carried out, three well placed shots absorb the oozing courage of the desperadoes who take to boats quietly and quickly disappear in the mist and though hotly pursued are able, through getting a good start, to show clean pairs of heels.

That, in effect, is what happened at the Arsenal between about five o'clock on Sunday evening and six o'clock on the following day, though the affair was not quite so theatrical in intention or design. How much lay behind it has yet to be discovered and from what occurred in other localities it seems probable that there was a good deal more than has appeared on the surface. A handful of young men of undergraduate age would scarcely, no matter how high their youthful spirits, have embarked on such a venture unless they had grounds for believing that, as soon as they had seized the Chaoho, they would find themselves with plenty of supporters. Presumably those supporters were to have sprung to their assistance both from the fleet and from the garrison ashore, and, if that assumption is correct, the plot must have miscarried owing the coolness and personal in-

fluence of Admiral Li. A small party of thirty rebels can scarcely have relied on creating a panic sufficient to lead to the surrender of the Arsenal; at all events if they did nothing like a general panic occurred. There was, obviously, a good deal of excitement, a good deal of wild firing and more than a little unwillingness to take risks. But those in command ashore never lost their heads; on the contrary, all the evidence we have shows that Admiral Li and his staff handled the situation with a nice admixture of deliberation and decision. How much truth there is in the statement that 10,000 Chinese, mostly unemployed, were in readiness in the Settlement to rally to the rebel headquarters, said to be the chief Police station on the Nantao Bund, it is quite impossible to say, though it appears reasonable to think that some such arrangement, probably even more sketchy and involving fewer numbers, had been made. Taking all this into consideration, however, and allowing for seriousness in purpose and design, the outbreak as it actually occurred was pantomimic.

Nevertheless we can learn a good deal even from a pantomime especially when, as last night's events show, it might have developed, and may yet, into something a good deal more serious. It is clear that there are dangerous elements in Shanghai and that no pains should be spared to lessen their potentiali-

ties, in particular by such measures as those we advocated in dealing with the "*droit d'asile*." The incident has afforded, too, yet another illustration of the necessity the Settlement is under of being at all times ready to defend itself. Foreigners could not possibly have had less warning than they had on Sunday and even if there was very little in the plot there was enough to give disorderly elements an opportunity for breaking loose. Moreover, the complete failure of the attempt to seize the Arsenal while it shows very clearly how thoroughly well Yuan Shih-kai has posted his men and what very small chance any revolutionary enterprise on the lines of 1913 has of proving successful, shows also that he can afford to relax none of his vigilance, especially in respect of the loyalty of his troops. For that there was some disloyalty somewhere is plainly suggested the events of the past two days and disloyalty is a plant that grows quickly and spreads its fibres with astonishing ease. It is noticeable, however, that none of the accounts which have so far come to hand show that there was any specific relationship between the outbreak and the monarchical movement. A revolutionary, it may be said, is *ipso facto* an anti-monarchist, yet we have seen enough of him to know that he is primarily an anti-Yuanist and that he would be "agin" Yuan Shih-kai no matter what the latter's political views might be.

To Dept. 23 DEC 1915 No. 676

FEB - 4 1916

AMERICAN CONSULATE GENERAL,

Shanghai, China, December 17, 1915.

Subject: American naval forces in the Yangtze Valley.

Sub.
Recd. 21 DEC 1915
Ack.
Ans.
Ref.
Ans.

The Honorable Paul S. Reinsch,

American Minister,

Peking, China.

800

Sir:

I have the honor to confirm my telegram of December 17th, 4 P. M. concerning the action of the Commander in Chief, U. S. Asiatic Fleet, in withdrawing from Shanghai the four vessels of the destroyer flotilla and the cruisers CINCINNATI and GALVESTON.

I do not wish to be considered in this connection as an alarmist, but in view of the delicate political situation in China at this time and the attitude of Japan in reference to the monarchical question in China, I felt that the situation should be explained fully to the Legation in order that this Consulate-General might be relieved of any responsibility for a situation which is very much feared by the American commercial community of Shanghai.

The fuur destroyers arrived at Shanghai from Manila some weeks ago and were here at the time of the

capture

capture of the CHAOHO, as previously reported to the Legation. They remained here until the end of last week and then returned to their station at Manila. Their withdrawal from Shanghai, which was not their regular station, was not cause for any particular comment, although their presence here was a great satisfaction to the Consulate General, which felt that in the event of trouble on the Yangtze River, vessels could be spared from Shanghai without in any way materially weakening the strength here.

Yesterday evening I learned incidentally at the U. S. Court for China, where arrangements were being made for the transfer of certain prisoners to Bilibid Prison in the Philippines, that orders had been received for the cruisers CINCINNATI and GALVESTON to proceed to Manila. The CINCINNATI is a vessel of over 3000 tons, with a crew of about 300 men; the GALVESTON a cruiser of about the same tonnage and complement.

The withdrawal of these two cruisers leaves at Shanghai only the gunboat HELENA, of about 1400 tons, with a complement of about 300 men, and the following small river gunboats:

EL CANO, about 620 tons, and crew of 95 men
QUIROS, about 350 tons, and crew of less than 90

and at river ports, but due at Shanghai for Christmas and remaining until after New Year's, the small river gunboats:

VILLALOBOS, about 370 tons, and creww of less than 90
SAMAR, about 243 tons, and a small crew

While

While in ordinary times this would give to Shanghai a sufficiently large landing force, in connection with the volunteers and police, at least until the arrival of ships from Manila, it is to be pointed out that the armament of all of the small river gunboats is very small, and the HELENA alone is the only ship of any size which would command any considerable respect in the event of disturbances.

If difficulties should arise up-river, the withdrawal of the HELENA to a river port would leave the commercial metropolis of China practically unguarded, and yet I believe that the foreign interests at Hankow or other of the river ports would fully justify and demand the presence there of ships of larger complement and armament than the small gunboats mentioned as now available in the Yangtze Valley.

The situation here at Shanghai at this time is quiet; there have been no further disturbances, but there is no feeling of assurance that the present quiet is to continue for any time.

It is impossible for any foreign official or merchant to forecast political events in China; and those who have been here longest are the least willing to venture opinions on the situation.

I learn from sources close to the malcontents that on account of the persistence of the government in the proposed change of government, uprisings are at least contemplated; it is hoped, in fact believed, that the support of several of the Chiangchuns in the Yangtze

Valley

Valley will be forthcoming at the proper time; and with the reports of disloyalty amongst the men of the Chinese Navy and some suspicion even of the troops at Woosung which seems to be shared to some extent at least by the Chinese officials here, it is not unlikely that further disturbances will occur, even though they be of the same restricted nature as the CHAOHO fiasco at Shanghai.

When information reached the American business community this morning that the GALVESTON and CINCINNATI had left port, there was a great deal of expression of dissatisfaction, and the committee of the American Chamber of Commerce, through their President, approached this office for information and also to urge if possible that the GALVESTON AND CINCINNATI be recalled.

The fear is expressed,--and it seems to me, from the press reports of the presence of Japanese warships off Woosung (although the report is denied by the Harbour Master's office), that there is some ground for the fear, in view of the attitude of Japan in the China monarchical question,-- thatin the event of outbreak of difficulties or uprisings in the river ports or again at Shanghai, the Japanese will find excuse for sending warships to the scene, regardless of the question of neutrality, by the fact that two of the American station ships in these waters have been withdrawn to Manila, and Shanghai and the whole of the Yangtze Valley is left unprotected by foreign forces with the exception of the gunboat HELENA and three or four small craft of no particular complement or armament of consequence; without even sufficient men

to

to furnish small landing parties for the protection of foreign lives and property if necessary.

The advent of the Japanese warships would be unwelcome alike to foreigners and Chinese, and, in the opinion of responsible, cool-headed merchants and others here, would serve so far to irritate the people and to complicate matters and embarrass the central government, that any weakening of the American forces here which would give excuse for the coming of the Japanese ships would be a fatal mistake in American policy, likely of unpleasant consequences.

Before Admiral Winterhalter left Shanghai in the SARATOGA for the coronation ceremonies in Japan, I had a conference with him in which he expressed the desire that I keep him informed of the situation here so that he might determine the desirability of returning here instead of going to Manila.

While it has been understood for some time that the GALVESTON was to go to Manila in the near future, it was my understanding that the CINCINNATI would probably remain here until later; and after the CHAOHO incident, with all that it might portend, the opinion seemed to be generally held that there would for the time being at least be no weakening of the American naval strength at Shanghai and in the Valley, even if Admiral Winterhalter did not return here with the flagship.

The presence of Admiral Winterhalter is, in my opinion, not necessary, but the presence of the two cruisers, GALVESTON and CINCINNATI is necessary if any confidence is to be

placed

placed in the ability of the American Navy to command the situation in the event of further disturbances, if only by its presence and reassuring effect to foreigners, Americans and others alike, not taking into consideration the effect on the attitude of a discouraged rebel rabble whose attempt at an uprising had been thwarted by supposedly loyal government troops.

In my communications to Admiral Winterhalter, and in furnishing information to Commander Brotherton, the senior American naval officer present, I have not sought to magnify the importance of the CHAOHO incident here or to find portentious signs of trouble in the general situation; in fact, the situation seems to be well in the hands of the government forces, but this gives no assurance of the continued loyalty of the Navy or in fact of all of the military.

I communicated to Commander Brotherton this morning thefeeling of the business community concerning the withdrawal of the CINCINNATI and GALVESTON, saying:

> "If you are in wireless communication with the Admiral, I should be under obligation if you would say to him that the Consulate General is concerned over the withdrawal of the torpedo destroyer flotilla and the CINCINNATI and GALVESTON at the same time, leaving Shanghai and the whole Yangtze valley section with scant protection; that American merchants are concerned over this action; that while conditions are now quiet there can be no assurance that they will remain so; and that there seems to be some apprehension that with the outbreak of trouble the Japanese ships will come in and the situation will be greatly complicated, whereas if adequate American naval forces were at hand the excuse for sending Japanese warships could not so readily be found."

Commander

Commander Brotherton courteously informs me that in compliance with my request he has drawn up a radiogram to the Admiral stating the concern of the Consulate General and the American merchants over the withdrawal of the destroyer division and the GALVESTON and CINCINNATI.

He also tells me that he has no knowledge as to how soon after their target practice in Philippine waters the GALVESTON and CINCINNATI might be ordered up to Shanghai again.

Since the outbreak of the European war, the GALVESTON and CINCINNATI have spent most of their time in China waters and have been looked upon more or less as station ships in this vicinity.

Their presence off the Shanghai bund has been most reassuring to foreigner and native alike since the CHAOHO affair.

I have the honor to be, Sir,

Your obedient servant,

American Consul detailed as
Vice Consul, in charge.

In triplicate to
the Legation
C

In reply please refer
to File № 820.

Russian Railways
Guards.

Sub .....
Rec'd 1 - MAR 1915
Ack .....
Ans. .....
Ref. .....
A. s.

THE AMERICAN CONSULATE

Harbin, China. February 24, 1915.

CONFIDENTIAL.

Subject: Departure of Manchurian Railway Guards for War in Europe.

820

Honorable Paul S. Reinsch,

American Minister,

Peking, China.

Sir:

I have the honor to state that I am confidentially informed and my information has been verified to the effect that the Russian Government has ordered all the military guards and troops within the Chinese Eastern Railway area to be mobilized and prepared for departure to the war in Europe on February 20/March 5, next. The order will affect about 25,000 men. They will be replaced by old reserves, men over the age of 42 years, brought from Russia.

I have further been told that Lieutenant General Demetrius L. Horwath, has telegraphed the Government at Petrograd protesting against this order on the ground that Chinese Hunghutzes and other inimical bands are likely to take advantage of the absence of the regular troops to attack the railway and to create disturbances througout Manchuria.

In this collection I enclose copies in duplicate

of

of two paragraphs which appeared in the Japanese newspaper THE MANCHURIAN DAILY NEWS, published at Dairen, of February 17 to the effect that rumors were abroad that a plot was being hatched by Germans at Mukden for the employment of Chinese brigands to destroy the railways in Manchuria. Such rumors seem on their face too absurd for serious consideration; but unfortunately I am unable to take that view. (Please refer to my despatch of January 29, last, File No. 820, with enclosures). I think it not at all unlikely that they have some basis in fact.

At Harbin preparations for the removal of the Railway Guards to the seat of war are being rapidly pushed forward and the streets are often filled with bodies of troops in splendid fighting condition, enthusiastically singing their inspiring hymns as they march. It is generally rumored that before long all the civilians in the town capable of military service may also be mobilized, either for the front or for guard duty here. General Horwath, however, is said to have denied this as a present measure at least. The recent defeats suffered by the Russians in East Prussia have aroused a strong patriotic feeling.

I have the honor to be, Sir,

Your obedient servant,

American Consul.

Enclosures: as stated.
820.

Enclosure with despatch dated February 24, 1915, from Harbin, China.

EXTRACT FROM THE MANCHURIA DAILY NEWS OF EEBRUARY 17, 1915.

Plot to Tamper with Railway Tracks

The German press campaign in China is becoming bolder. A report says that a plot is being hatched with a view to employing brigands for destroying the railway tracks in Manchuria.

A Weird Rumor

German Plotter at Work

A weird rumor is abroad that a German of the hame of Werthmann (?), who opened an exporting and importing establishment at Mukden recently as a ruse to cover up his identity and the true nature of his mission in Manchuria, is gathering Chinese hirelings and is engaged in inciting to active depredation Chinese brigands at several places in South Manchuria. This German, according to a reliable authority, is a military spy and is provided with ample funds. It is said to be through him that the Chinese newspapers at Mukden were bribed into posing as strong German champions. He is reported to be plotting the Chinese Eastern Railway and the South Manchuria Railway. The movements of the German plotter and his agents are being closely shadowed.

A true copy of the signed original. a r6

In reply please refer
to File № 820

Movements of Troops.
Correspondence Consulates
at Mukden and Harbin

Sub. .....
Recd. 3- MAR 1915
Ack. .....
Ans. .....
Rel. .....
A.s. .....

CONFIDENTIAL

THE AMERICAN CONSULATE

Harbin, China. February 27, 1915.

Subject: Correspondence between the Consulate General at Mukden and the Consulate at Harbin with Reference to Movements of Troops and Military Trains in North Manchuria.

Honorable Paul S. Reinsch,

American Minister,

Peking, China.

Sir:

I have the honor to inform you that it has been communicated to me at second hand, privately and confidentially, that certain information with reference to the movements of military trains and troops in North Manchuria which the Consulate General at Mukden has from time to time officially requested of this office was never desired for the use of the United States Government nor subsequently reported to your Legation, but was intended for the use of and was reported to the German Consulate at Mukden.

I find myself unable to believe for one moment in the truth of this report, though my direct informant is a man of the highest integrity, and can only think that he has been himself incorrectly informed. Nevertheless in view of what I feel may develop into a serious situation at Mukden (Please see my confidential despatch of February 24, File No. 820, with enclosures) and because of the fact that the Acting German Consul at Mukden has actually approached an attaché of this Consulate with a strangely inappropriate proposal, (see my despatch of January 29, same file no., with enclosures) I think you

you ought to know about the matter. I therefore enclose copies of the entire correspondence between this office and Mukden relative to the movements of troops and military trains in North Manchuria for your consideration and appropriate action.

I have the honor to be, Sir,

Your obedient servant,

American Consul.

ENCLOSURES:

1. Telegram, Oct. 14, 1914, American Consulate General, Mukden, to American Consulate, Harbin.
2. Confirmation copy of reply to above.
3. Despatch, Oct. 16, 1914, Harbin to Mukden relative to foregoing.
4. Despatch, December 2, 1914, Mukden to Harbin.
5. Reply to above, December 4, Harbin to Mukden.
6. Further reply, December 9, Harbin to Mukden.
7. Despatch, January 25, 1915, Consulate General, Mukden, to Consulate, Harbin.
8. Reply to foregoing, January 29, Harbin Consulate to Consulate General, Mukden.
9. Personal letter, Mr. Moser to Mr. Heintzleman, January 29.
10. Mr. Hugo Witte (Acting German Consul, Mukden) to Mr. Morton. deputy Consul, Harbin, January 27.
11. American Consul, Harbin, to Acting German Consul, Mukden, January 29, replying to letter to Mr. Morton.

File No. 820.

Enclosure No. 1, with despatch dated February271915,
from Harbin, China.

(COPY)

TELEGRAM RECEIVED

From the American Consulate-General,
Mukden, China.

(Translation)

"American Consul
Harbin
It is rumored that Japanese troops guarding Chinese Eastern Railway up to Manchouli Station Please ascertain facts Reply by telegraph

Heintzleman"

American Consulate, Harbin, China,
October 14, 1914.

A true copy of the signed original. A.P.C.

Enclosure No. 2, with despatch dated February27 1915,
from Harbin, China.

(COPY)

CONFIRMATION OF TELEGRAM SENT

"Amcon

Mukden

48221

Bishop"

American Consulate, Harbin, China,
October 15, 1914.

(signed) C. M. BISHOP

A true copy of the signed original. A.P.C.

Enclosure No.3 with despatch dated February 27.1915,
from Harbin, China.

(COPY)

AMERICAN CONSULAR SERVICE,
HARBIN, CHINA October 16, 1914.

Subject: Guards for the Chinese
Eastern Railway.

P. Stewart Heintzleman, Esquire,
American Consul-General,
Mukden, China.

Sir:

In regard to your telegram of the 14th instant and my reply of the 15th, confirmation of which has been sent, it is stated in a letter from the Harbin correspondent of the North China Herald, under date of September 3, that "the Japanese have offered to replace the railway guards in Manchuria, etc., with their troops, and have assured Russia that as their interests are identical in these parts, they will themselves see that no trouble arises whilst the war is on in Europe".

Inasmuch as Russia has not yet called out the reserves in Harbin and elsewhere in the railway zone, no necessity has arisen for such a course. It is probable that should the troops at present guarding

the

the Railway territory be sent to European Russia, their places would be taken by reservists drawn from the locality who would be amply sufficient for the purpose. It is hardly likely that these reservists will be called on for service in Europe, and so they will always be available for service here. It is difficult to foresee any contingency in which Russia would be put to such straits as to be obliged to avail herself of such an offer.

Very respectfully yours,

(signed) C. M. BISHOP.

Vice Consul in Charge.

820.

A true copy of the signed original. AAB

Enclosure No. 4, with despatch dated February 1915,
from Harbin, China.

(COPY)

AMERICAN CONSULAR SERVICE,
MUKDEN, CHINA. December 2, 1914.

Charles K. Moser, Esquire,
American Consul,
Harbin, China.

Sir:

It is rumored here that negotiations are going on in Harbin between the Chinese and Russians with regard to placing Chinese troops along the Chinese Eastern Railway so as to permit the transfer to Europe of the whole of the Russian Railway Guard. At the same time, it is believed here, that Japan is willing to have its troops guard the Russian line in North Manchuria. The report current here during the past few days that 30,000 Japanese troops have been landed in Korea, though unconfirmed, seems accurate. While the purpose of such a move can not at this stage be definitely forecasted, yet the object can with a moderate degree of accuracy be conjectured, and it must be either to further their ambitions in South Manchuria or else to protect Russian rights and privileges in North Manchuria. I think it not at all unlikely that negotiations

have

have been going on between Russia and Japan with a view to accomplishing the above purpose, and that now China has suddenly stepped in; since which time the situation is not clear. It seems that the Chinese Government is at its old game of playing off one power against another and that it will do its best to win Russia to its side.

I would thank you to let me know anything you might be able to find out on this and related subjects. The Legation too would be interested in any new developments taking place in either North or South Manchuria. The Minister last week telegraphed me as to whether the Japanese garrisons in Manchuria had been increased. I replied that there had as yet been no increase, tho' negotiations were going on here and at Peking for the quartering of six additional regiments in Mukden.

If you should learn anything definite or of likely importance on this subject I would appreciate a brief telegram.

With kind regards,

Very sincerely yours,

(signed) P. S. HEINTZLEMAN.

Consul-General.

820.

H/Fa.

A true copy of the signed original. a.o.b.

Enclosure No. 5, with Despatch dated February 27 1915,
from Harbin, China.

(COPY)

File No. 820.

AMERICAN CONSULAR SERVICE,
HARBIN, CHINA December 4, 1914.

Subject: Negotiations with reference to the Establishment of Chinese Troops along the C.E.Railway.

P. S. Heintzleman, Esquire,
American Consul-General,
Mukden, China.

Sir:

I beg to acknowledge with thanks your letter of December 2nd, with reference to negotiations between the Chinese and Russians leading to the establishment of Chinese troops along the Chinese Eastern Railway in order to permit the transport to Europe of the whole of the Russian Railway Guards.

We have heard of nothing of this movement here, but I will have it investigated and will inform you promptly of the results.

I am, Sir,

Your obedient servant,

American Consul.

820.

A true copy of the signed original. a.p.b.

Enclosure No. 6 with despatch dated February 27, 1915,
from Harbin, China.

(COPY)

File No. 820.

AMERICAN CONSULAR SERVICE,

HARBIN, CHINA December 9, 1914.

Subject: Railways Guards of the
Chinese Eastern Railway.

P. S. Heintzleman, Esquire,
American Consul-General,
Mukden, China.

Dear Mr. Heintzleman:

In further reference to your letter of December 2, I am now reliably informed that there is no intention on the part of the Russian Government to replace any portion of the present body of railway guards on the Chinese Eastern Railway. The guards on the Ussuri line are to be withdrawn to Europe, however, and replaced by the last line of Russian reserves, that is, men between the age of 40 and 42 years.

Yours very truly,

C. S. Smith

American Consul.

820.

A true copy of the signed original. a.p.6

Enclosure No. 7, with Despatch dated February 27,1915,
from Harbin, China.

(COPY)

AMERICAN CONSULAR SERVICE

MUKDEN, CHINA January 25,1915.

C. K. Moser, Esquire,
American Consul,
Harbin.

Dear Mr. Moser:

I would thank you to be good enough to furnish me, if possible, certain information as to events and circumstances growing out of war conditions, so far as they are observable at Harbin.

(1). It is rumored here that Russia and Japan are negotiating for the transfer to Japan of the Harbin-Kwang Cheng Tzu branch railway. Please run down this rumor and ascertain what facts you can as to this matter, which, if true, is interesting and significant - even to our Government. In this connection it is interesting to recall that at the time of the Portsmouth Treaty, Japan wanted this line, and onthe occasion of the visit, in 1909, of Prince Ito to Harbin, where he lost his life, his mission included an attempt to negotiate for this line with then then Russian Minister of Finance, who was at the time visiting

Russia's

Russia's possessions in the Far East.

(2). Have any Japanese troops passed through Harbin westward by train, perhaps during the night?

(3). How many trains and cars transporting soldiers, war materials, and horses passed through Harbin or Manchouli station westward from December 21 to 31st, last?

I appreciate fully the difficulties encountered in China in obtaining accurate and reliable data on any subject and especially on such questions as those broached by me, consequently I will be particularly grateful for any-thing you can give me in this regard.

With best chin-chins,

Very sincerely yours,

(signed) P. S. HEINTZLEMAN.

Consul-General.

H/T.

710.

A true copy of the signed original. A.P.6.

Enclosure No. 8, with Despatch dated February 27, 1915,
from Harbin, China.

(COPY)

File No. 820.

AMERICAN CONSULAR SERVICE,
HARBIN, CHINA January 29, 1915.

Subject: Transfer of the Harbin-Kuanchengtsu Branch of the C. E. Railway - Movements of Japanese Troops.

P. S. Heintzleman, Esquire,
American Consul-General,
Mukden, Manchuria.

Dear Mr. Heintzleman:

In reply to your letter of January 25th, we are using every endeavor to discover whether any negotiations are pending between Russia and Japan for the transfer to Japan of the Harbin-Kuanchengtzu Branch of the Chinese Eastern Railway. Up to this time our information has been a complete denial of such negotiations. Personally I regard the rumor as impossible, but I am not sufficiently familiar with the Railway's affairs to express this view with any certainty. As soon as we have learned definitely if there be any truth in it, you will be immediately informed, with such details as we can discover.

With reference to question 2 of your letter, "Have any Japanese troops passed through Harbin

westward

westward by train, perhaps during the night?" I regret that we have no facilities for gaining accurate information of this sort.

In reply to your third question, "How many trains and cars transporting soldiers, war materials, and horses passed through Harbin or Manchouli Station westward from December 21 to 31st, 1914?", I think we ought not undertake the investigation of such matters here. While this office is accredited to China its relations with the Russian authorities are nevertheless so important that it would not care to jeopardise its position with them by appearing to take an active interest in matters which might reasonably be regarded as concerned only with their military secrets.

Very truly yours,

C. B. Hall
American Consul.

820.

A true copy of the signed original. ark

Enclosure No. 3 with despatch dated February 27,1915,
from Harbin, China.

PERSONAL.

AMERICAN CONSULAR SERVICE,

Harbin, China, January 29,1915.

Dear Mr. Heintzleman:

I am enclosing a copy of a letter received today by my Deputy Consul, Mr. Morton, from the Acting German Consul in Mukden. You will probably understand from it why I am particularly reluctant at this time to seek any information with reference to Japanese or Russian military movements through the Harbin district. I don't believe that our willingness to extend our good offices and unofficial services to German interests should go to the extent of supplying them with persons for military espionage. Certainly I cannot conceive of this as any part of the consular functions of an officer representing a neutral Government. Such an action on his part might lead to the embarrassment of both his own Government and the Government to which he is accredited.

For Dr. Reinsch's information and subsequent instructions I am sending him copies of Mr. Witte's letter and my reply.

With all good wishes,

Sincerely yours,

C. E. Macy

A true copy of the signed original. A.P.C.

Enclosure No. 10 with despatch dated February 27, 1915.

(COPY)

Mukden, 27th January 1915.

William Morton, Esquire,
American Deputy Consul,

H A R B I N

Dear Sir:

As I am interested in gaining some good information from time to time on the movements of trains transporting produces and troops from Eastern Russia and North Manchuria to Russia Proper, and as we are without a consular representative in HARBIN at present and the German residents are all removed, I was wondering if I could consult you in that matter and ask you, because of your long residence in HARBIN, whether you know any one there who could undertake this work for me. If so would you be good enough to consult him on my behalf and refer him to me. Mr. Heintzleman gave kindly your name and address.

I am willing to pay a good reliable man up to 100.-- roubles a month.

All reports have to be sent to a German address here and will be treated as absulutely confidential.

I shall esteem it as a great favor and should feel very thankful to you for any trouble you will take in this matter and beg you to kindly

send

send me a reply at your earliest convenience.

Very sincerely yours,

(signed) HUGO WITTE.

A true copy of the signed original. a.p.t.

Enclosure No. 11, with despatch dated February 27, 1915,
from Harbin, China.

(COPY)

AMERICAN CONSULAR SERVICE,
HARBIN, CHINA January 29, 1915.

Subject: Movements of Russian Troops.

Hugo Witte, Esquire,
Acting German Consul,
Mukden, Manchuria.

Dear Sir:

In reply to your letter of January 27th addressed to the American Deputy Consul at Harbin, Mr. William Morton, I beg to state that while we are pleased to extend our good offices and unofficial services to German interests at this time, it would not be appropriate for any person connected with this Consulate to interest himself in the subject matter referred to in your letter.

I am, Sir,

Very truly yours,

O. B. Macy
American Consul.

820.

A true copy of the signed original. APG

reply please refer
File № 820

To Petrograd + Dept., without covering despatch
28 SEP 1915

THE AMERICAN CONSULATE

Harbin, China.

September 21, 1915.

SUBJECT: Mobilisation of Russian Troops in the Zone of the Chinese Eastern Railway.

Sub.
Recd. 27 SEP 1915
Ack.
Ans.
Ref.
Ans.

J. V. A. MacMurray, Esq.,

Charge d' Affaires,

American Legation,

Peking.

Sir:

I have the honor to inform you that on August 31/ September 13, 1915, the Chinese Eastern Railway Police Administration issued orders for the mobilisation at Harbin and within the Settlements of the Railway of all reserves and all those citizens known as "red ticket men" for despatch to the front. The order for mobilisation referred to the following:

1. All reserve soldiers.

2. All red ticket men who have had military training.

3. All red ticket men who were for any reason excused from military service, beginning from the year 1898 to 1916, inclusive.

4. Reserves of the Navy are not called out.

5. The place where reserves and red ticket men shall mobilise and present their papers shall be at the Barrack No. 618 of the Tomsk Infantry (Harbin).

6. All institutions and individuals by whom the called reserves and red ticket men are employed shall immediately settle accounts with them and return to them their papers.

7. Chinese

7. Chinese Eastern Railway employees, employees of the Administration of Police, the Consulates, and Custom houses are excluded.

8. First day of mobilisation, August 31, 1915.

The publication of these orders brought dismay in the Railway Settlement, for it meant the taking away of nearly every able-bodied man between the ages of 19 and 43 years, inclusive, almost without warning. "Red ticket men " include all of the male population who have had slight physical defects that prevented them from serving in the regular army, or those who have been mustered out of the army for slight disability before their military service had been completed. It also included formerly the only sons of dependent parents. There are two other classes; the "blue ticket men," who suffer from some serious but not absolute disability, and who may be called out as an ultimate resort, and the "white ticket men," who are completely exempted from military service on account of age or utter physical incapability.

Those men who presented themselves for mobilisation on the first day were enrolled immediately and sent to Irkutsk for preliminary training without being given an opportunity to see their families again or to settle their business arrangements. Those who presented themselves on the second, third and fourth days successively, were treated on the same line but they had the intervening time to settle their affairs. There were pathetic scenes on the streets especially among the hundreds of cases where the men left behind women and children practically without any

means

means of support during the coming winter. The mobilisation called to service a great number of the Jewish population, and among these particularly it was very unpopular. Throughout the whole population there was a general feeling of resentment, and it is stated that the general manager of the Railway himself has cabled to Petrograd protesting the suffering that must ensue throughout the Railway Settlement if these rigid orders were carried into effect.

It has been estimated that the number of reserves and red ticket men called out from Harbin will amount to between 3,000 and 5,000, with something over 2,000 more from the remainder of the railway zone. The effect on business in Harbin is felt to be very serious as most of the able-bodied and active business men of the place have been taken away without having had an opportunity to arrange their affairs or for other persons to be placed in their stead. In one of the business houses alone it is said that the General Manager and 75 per cent. of its employees were included in the mobilisation. Many of the principal shops lost practically all of their salesmen and the majority of their customers. From the Municipal Administration Office alone 40 men were called out.

On September 2/16, a meeting of the Harbin Chamber of Commerce was held to consider the situation, and it was resolved to ask the Russian Government to exempt the whole of the red tickets from participation in the war, as red ticket men have been exempted in the Pri-Amur district. The Chamber of Commerce sent the following

telegram

telegram to the Ministry of Finance, the Ministry of Commerce and Industry, and the National Douma:

"On September 1st mobilisation was ordered within the territory of the Chinese Eastern Railway calling out reserves and red ticket men. The Harbin Chamber of Commerce is in receipt of numerous petitions from large and small traders and from industrial enterprises stating that they will be forced to close their businesses because the majority of their important employees as well as themselves have been called to the front, and there is no one who can be substituted for them.

"The economical condition within the railway zone is thus left in an exceedingly harzardous condition because its principal and most active population consist of those between the ages called out, and living far from their homes in Russia they have no parents or relatives here who can take over their businesses and domestic obligations. Conditions here have also been greatly effected by the prohibition of exports from Russia, and the local markets are now being filled with foreign goods, particularly those of Japanese origin. In the flour milling industry and private workshops as well as all other business enterprises which have been in the hands of Russians and which have taken ten years to develop will now have to be closed or be placed in the hands of foreigners.

"For these reasons the Chamber of Commerce feels it to be its duty to place before you this sketch of these conditions and not to hide its very serious apprehension that the success of our trade and industry in the Far East so hardly won during the last decennial may be destroyed without any hope of recovery in the future, because the position yielded will be stoutly maintained by Japanese and Chinese.

"By relieving this district from such mobilisation a danger of economical ruin would of course be warded off.

"The Chamber of Commerce admits that this course can probably not be allowed in full, but it takes the delicate and difficult task upon itself to bring to the notice of the Government this petition of the local population, and to ask whether the Government may not find it possible to limit the call for troops within the Railway Settlement to the reserves only; and to allow the red and blue ticket men to remain undisturbed. Such action will relieve the local population of great hardships and will give permanent support to the trade and industrial activity of the Settlement.

No reply to this telegram has yet been received, and nearly the full total of the men mobilised has already been despatched to Irkutsk where they will be given the necessary preliminary training before being sent to the front.

I have the honor to be, Sir,

Your obedient servant,

American Consul.

No. 136.

AMERICAN CONSULATE GENERAL,

MUKDEN, CHINA.

SEP -4 1916

Ack. SEP 11 1916

August 18, 1916.

SUBJECT: Sino-Japanese Relations in South Manchuria: Collision between Chinese and Japanese Troops at Chengchiatun.

No.

Sub.
Recd. AUG 21 1916
Ack.
Ans.
Ref.
Ans.

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sir:

I have the honor to report that for several months serious disturbances have occurred in a region extending from Ssupingkai to Chengchiatun and from Changchun to Taonanfu far into Mongolia. The developments of the trouble can be traced with exactitude. Its inception was with the Russians who began in April last to supply with arms the various Mongol banners, some seventeen in number, inhabiting Hulun or the Hailar district of Heilungchiang. In 1912 Barga, which is the popular local name for this region, seceded from China, and though the Chinese by force, bribery and intrigue have ever since attempted to re-subjugate the area, it remains practically independent, relying for its existence on its success in playing the three powers one against the other. Although theoretically incorporated in this province and Heilungchiang, the Russians regard it as part of autonomous Mongolia. The motives underlying Russian action are a desire to consolidate and strengthen those Mongol tribes bordering on Siberia and North Manchuria and thus preserve a semi-independent state already set up

through Russian influence which is to serve as a buffer between her and China, and also in opposing the Japanese advance into North Manchuria and Eastern Mongolia. The Japanese, knowing perfectly well all that was going on, determined to turn the situation to their advantage. They encouraged those Mongols of the Korchin banner, whose land lies around Taonanfu, most of whom they were able to influence through bribery and fair promises of independence, to form a political party, in conjunction with Manchu loyalists, to fight ostensibly for the restoration of the monarchy. To these disorderly elements were joined the ordinary robber bands also organized and equipped by the Japanese. Ssupingkai and Changchun are the principal centers for the recruitment of bandits, where they are protected by the Japanese and supplied with the necessary military outfit. Chengchiatun and Taonanfu may be considered rather as the bases of operations. The latter is the headquarters of the Japanese general secret staff, to which it is said no less than fifty Japanese general staff officers are attached. For the past eighteen months a Japanese consular agent has also been stationed there.

Chinese troops about 23 ying in number under General Wu Hsing-chuan have attempted from Taonanfu to suppress these revolutionists and marauders but in every engagement thus far the Chinese have been worsted. In a recent encounter General Wu was seriously wounded, although the Chinese for obvious reasons have thus far declined to admit it. Additional Chinese troops comprising 22 ying have been despatched from Kirin and Mukden to the fighting zone but they have been unable to relieve the situation. Wherever they met the insurgents (Chinese reports to the contrary) they suffered defeat. It is known to the Chinese authorities that the insurgents are well organized and led by Japanese, and that they follow tactics

which only could be possible under expert leaders, and by which the Chinese are always outwitted. The number of the insurgents is given at 3,000. They are equipped with five machine rifles which, it is said, are operated by Japanese officers, and they also have in their possession such modern weapons as hand grenades, explosives, mauser pistols and Japanese rifles. On the 15th instant the insurgents captured Kuchiatien, a town situated west of Changchun. In Changchun anarchical conditions prevail. Murder and plunder are daily occurrences. The Chinese city is however well guarded against the insurgents and closed at night. The Japanese observe a cold reserve and do not hinder in the least the free play of the bandits even in their own concession.

In Chengchiatun a fight developed on the 13th instant between the Japanese troops stationed there and the Chinese garrison by which the Japanese were outnumbered amd consequently defeated and for a time beseiged. Ten Japanese, including a police, were killed. Six, including the Lieutenant leading the squad of Japanese soldiers, were wounded, while there are a few missing. The Chinese losses are given as four killed and nine wounded. The facts preceding this incident are, I have good reason to believe, as follows: The Chinese commander of the local garrison knowing that the Japanese were assisting the insurgents and that the Japanese troops were hindering operations against the insurgents, asked the Japanese commander to withdraw his forces from Chengchiatun temporarily. The Japanese officer replied that he would do so on condition that he received an assurance that the Chinese would protect Japanese life and property. The Chinese officer declined to give this guarantee and renewed his request. A Japanese orderly upon attempting to deliver a further communication on the subject at the Chinese barracks was told the commander was

absent. He began to use abusive language to the Chinese guard, who retaliated by beating him. A Japanese police then went to the barracks to demand an explanation. The Chinese refused to listen and levelled their guns at him. He thereupon returned and set out again with a guard of thirty Japanese soldiers under a Lieutenant. Upon appearing at the Chinese barracks they attempted to force an entrance when they were resisted by a volley of fire. The Japanese responded but, being outnumbered, were compelled to retire. The fighting continued until the Japanese reached their barracks. The losses on both sides were as described above. Conditions soon became precarious. The Japanese, learning of the incident and realizing that their small contingent was surrounded by 3,000 Chinese troops, sent reinforcements from neighboring towns in quick marching order. Several mounted soldiers were at once despatched from Ssupingkai followed by a party of fifty infantrymen. From Pamiencheng on the 14th instant Japanese troops were despatched. According to the Japanese press the movement of their soldiers was intercepted at the Sankiangkou ferry; upon being fired upon the Japanese replied, and again being outnumbered suffered many casualties. This report, however, lacks confirmation. The Japanese have also sent a battalion on war footing with a machine rifle detachment from Tiehling, and a cavalry regiment, less one squadron, from Kungchuling. The Chinese as well have sent reinforcements to Chengchiatun. They have sent from Pamiencheng three companies of infantry, two squadrons of cavalry and one machine-rifle company from the 27th Division at Mukden. The Chinese troops are supplied with ammunition by way of Hsinminfu. The Japanese consider the forces already despatched as too weak and express doubt that they will become masters of the situation. This gives the impression that new reinforcement will be sent.

On receiving news of the conflict, Governor Chang ordered the commander of the Chinese troops at Chengchiatun to cease hostilities and withdraw his troops three miles from the city. In this connection it is significant that while the Chinese troops are being removed the Japanese military forces are being strengthened. General Chang also sent two deputies to the scene to investigate and make a report, while Major Machino, military adviser to the Mukden government, has proceeded to Ssupingkai to discuss the affair with Major-General Fujii, commander of the Japanese railway guard in South Manchuria. Under instructions from Tokyo the Japanese Acting Consul General at Mukden has gone to Chengchiatun to investigate the facts of the case. The Special Delegate for Foreign Affairs called on the 14th instant at the Japanese Consulate General here to express regrets at the occurrence. General Chang also sent telegrams expressing regret to the Governor General of Kwantung and to the Army Department of the Kwantung Government. The magistrate of Chengchiatun, conceiving it to be his duty as a local official, called upon the Japanese Vice Consul to express his regrets at what had occurred. He was accompanied by the chairman of the local chamber of commerce. Upon presenting themselves at the Vice Consulate, the magistrate was detained and was only released when he offered his son as a substitute, who is now being held as a hostage. The Vice Consulate at Chengchiatun is a branch of the Mukden Consulate General and was opened August 1, 1916.

Turning to the political aspect of the general situation here as it involves China, Russia and Japan, it is obvious that the Japanese considered that they were forced to act in the disaffected area in Eastern Inner Mongolia, first, by the ill-conceived Russo-Chinese move which aimed at holding up the Japanese in that vast region so important politically and economically, situated between the Liao River and the Great

Khingan Mountains; and, second, by the necessity of creating a basis for further negotiations with both China and Russia with a view to satisfying completely the desires of Japan. That this was a mistaken policy was foreseen by Chinese officials, such as Chu Ch'ing-lan, the former Governor of Heilungchiang, who are conversant with Russian conditions in the north. The Japanese counter-stroke teaches the Chinese that when the point of danger is reached the Russians retire and leave the Chinese deserted. This mandarinate, which for two years has played a double game, and shut off the open door from Changchun northward by allowing Russia to erect an enclave in North Manchuria and to trample upon neutral rights (in fairness to the Japanese the same cannot be said of them in South Manchuria); simply for political reasons acting together with the Russians in building a wall against the Japanese, finally see themselves in Japanese hands. No doubt the Chinese did their best to thwart every Japanese plan and no doubt also, if appearances are not deceptive, the Japanese will again resort to a display of military force in affecting a solution of the problems. On the other hand, quite contrary to the expectations of the Russians, and in spite of the seriousness of this clash of troops, the Japanese here seem to be not unduly agitated. It is too early to conjecture the outcome of the whole affair. However, Governor Chang's position here is precarious.

I have the honor to be, Sir,

Your obedient servant,

H. H. Kwitty Cleveland

Consul General.

710.

H/Fa.

No. 139.

AMERICAN CONSULATE GENERAL,

MUKDEN, CHINA.

T. Dept SEP - 4 1916

Ack. SEP 11 1916

August 26, 1916.

SUBJECT: Sino-Japanese Relations in South Manchuria. The Chengchiatun Affair.

Sub.
Recd. AUG 28 1916
Ack.
Ans.
Ref.
Ans.

Honorable Paul S. Reinsch,

American Minister,

Peking, China.

Sir:

In continuation of my No. 136 of the 18th instant on the above subject, wherein reference was made to the anarchical conditions prevailing at Changchun, I have the honor to inform you that about one mile west of the Japanese railway opposite Changchun there are 2,000 Mongolian insurgents and Chinese bandits. Reinforcements of 2,000 men are expected shortly when an attack will be made on Changchun. The term "Manchu loyalists" used by the Japanese press in this connection refers only to Chinese brigands organized by Japan. All the revolutionary elements, insurgents and brigands, are equipped and led by Japanese. Since August 1st the military equipment transported over the Japanese railway and consigned to the revolutionists consists of six guns, machine rifles and other war material. Part of the revolutionists are quartered in the Japanese settlement at Changchun. The whole affair is instigated and directed by Japan. The Chinese military seems to be entirely in the dark as to what is going on nor has it any plan for meeting the situation. The Japanese military is prepared to protect the city of Changchun.

On the 22nd instant an Englishman was arrested by two bandits about one-half mile west of the railway at Changchun.

He was brought to headquarters, where he found a complete staff and a high Mongolian officer, who is believed to be Prince Wu Tai, the protege of Russia, who raised the revolt in the region of Inner Mongolia about Taonanfu in August and September, 1912. In these surroundings were many Japanese in Chinese dress. The officials expressed regret at the arrest of a foreigner, escorted him under guard to the railway, and released him. In Changchun the Japanese are selling Mongolian horses at eleven yen apiece, claiming that the animals were obtained from the Mongolians who had seized them as booty. To all appearances everything is in the hands of the Japanese military and consul. Japanese officers appear in the city in civilian dress. The expected attack on Changchun is confirmed through various reliable sources, though the local Japanese press gives it that the Chinese and Mongolians, through the mediation of the Japanese military adviser to the Mukden Government, have agreed to cease fighting. The Mongolians are to retire quietly to their lands within one week and the Chinese troops promise not to pursue them. I am of the opinion the Japanese report cannot be taken seriously. Since the 23rd instant telegraphic communication over the Chinese lines between Mukden and Changchun has been interrupted.

I am reliably informed that the following demands growing out of the Chengchiatun affair have been presented formally by Japan to China, presumably at Peking: Right of policing South Manchuria and Eastern Inner Mongolia; freedom of movement for Japanese troops throughout this region; appointment of Japanese consuls as political advisers; establishment of military post and telegraph offices; autonomy of Inner Mongolia similar to that provided in the Russo-Chinese treaties in respect to Outer Mongolia; and cooperation in suppressing revolutionary movements. Of course there will be also the customary demands for apologies, indemnities, dismissals or reprimands for officers held to be

responsible for or in any way connected with the affair, as well as guarantees as to future conduct, etc.

Japanese troops have during the past few days occupied the road extending from Ssupingkai to Chengchiatun, a distance of almost 100 miles. A zone ten miles wide on either side of this road has been established within which all Chinese troops and police have been withdrawn. Japanese troops are in possession of the Chinese barracks situated in this zone. A field telegraph has been opened by the Japanese.

The Japanese residents at Mukden on the 21st instant sent telegrams to their foreign office and to the Japanese Legation at Peking urging that Military Governor Chang Tso-lin and his coadjutor General Feng Lin-ko be dismissed and that future appointments of Military Governor and Civil Governor here shall be subject to the approval of the Japanese Government. The local Japanese press is clamoring for demands of this nature, and quote the leading newspaper of Japan as doing likewise. General Chang realizes that his position is precarious.

I have the honor to be, Sir,

Your obedient servant,

Consul General.

710.

H/Ts.

Desp. No. 142.

AMERICAN CONSULATE GENERAL,

MUKDEN, CHINA.

SEP 10 1916

September 6, 1916.

SUBJECT: Sino-Japanese Relations in South Manchuria: The Mongolian Uprising.

Sub.
Recd. SEP 9 1916
Ack.
Ans.
Ref.
Ans.

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sir:

As reported in my No. 139 of August 29, 1916, the Mongolians and Chinese who recently had been fighting in the vicinity of Changchun had, through the intervention of the Japanese military adviser to the Mukden Government, agreed upon a suspension of hostilities - the Mongolians undertaking to withdraw to Mongolia and the Chinese on their part promising not to pursue them. It was arranged that a Japanese cavalry detachment consisting of sixty men under a captain would accompany the Mongolians to insure their safety en route. The Governor General of the Kwantung Leased Territory on September 1st served the following notice on the commanders of the Chinese and the Mongolian troops:

> "The Japanese authorities, in order to preserve the peace and order of the South Manchuria Railway area, will not tolerate any warlike operations in the region east of the line connecting Chengchiatun with Fangchia-chengtzu. Any action against this warning will force the Japanese to take an independent course of action. With the object of seeing that the same warning is observed, a troop of Japanese cavalry will be sent, and, in order to prevent any danger to the Japanese cavalry, it will carry the Japanese national flag."

This order conveyed formally to the military forces of an independent and friendly state is significant as showing

how far the military authority of the Governor General of Kwantung has already penetrated South Manchuria and Eastern Inner Mongolia. Notwithstanding the pledges of the Chinese authorities and the warning of the Japanese, Chinese troops about six hundred in number, according to the Manchuria Daily News, attacked the main body of the Mongolian troops, consisting of about three thousand men, on the 2nd instant at Hsinhokou, eight miles west of Kungchuling. The Mongolians returned the fire. The Japanese cavalry squadron nearby, with the national flag hoisted as high as possible, drew close to the scene of fighting, intending in this manner to induce the Chinese to cease firing. The latter, however, continued the attack. On being asked by the Mongolians to interfere the Japanese captain with four men and an interpreter approached the Chinese on foot. About 500 yards from the Chinese line they were greeted with a fusillade. They sought shelter and, though the Japanese flag was prominently displayed, the Chinese kept up the firing, one bullet hitting the flag. The Japanese cavalry squadron then pursued "the independent course of action" foreshadowed by General Nakamura in the above notice, and forcibly compelled the Chinese to retreat. Eight Japanese soldiers are reported as wounded. The Chinese contingents have since been ordered by the military commander at Kirin to retire still further. A Japanese Major General commanding the brigade at Tiehling left for Hsinhokou on September 3rd at the head of a regiment, supplemented by a company of sappers from Liaoyang and an artillery battery of six guns from Haicheng.

The Japanese object is obviously to clear the region of Chinese troops by any means available, and as the region is known to be in a chronic state of disturbance, the Japanese will station troops there permanently. Out of this condition is to follow eventually the same state of affairs as exists in Outer Mongolia.

The agitation against the Military Governor here, Chang Tso-lin, is gaining ground, in accordance with the plan of the Japanese. General Chang is fully aware of this but regards the Japanese attacks as natural and to be expected. According to his statement to me the Japanese are pressing him in order to drive him to act, which he would do if the Central Government gave him a free hand. As conditions are at present he deems it necessary to adopt extraordinary methods in guarding his person. He has caused extensions to be made at the entrance to his yamen. They suggest the possibility of an attack as they are designed with a view to defence. The customary wall in front of the yamen gate has been joined at either end to the yamen boundary wall by two high thick walls built across the roadway. The two gates for the traffic are guarded by heavy iron doors. In the event of trouble these gates can be closed, thus cutting off communication with the yamen. Surmounting either new wall is a pailo which commands a view of the approaches to the yamen. It is said that field pieces and machine rifles together with ammunition will be stored in the yamen. This action on the part of General Chang, which was taken against the advice of his staff officers, indicates a return to the style of yamen entrances in vogue in pre-republican days.

Between Ssupingkai and Changchun traffic on the Japanese railway partakes more of a military character.

As to the Japanese "wishes" respecting South Manchuria and Inner Mongolia, which I attempted to outline in my No. 130 of July 20, 1916, the Japanese are not seeking more than what the Russians have already quietly received from the Chinese. The difference between the Russian and Japanese procedures lies only in method - the Russians bribe the unscrupulous Chinese officials from the governors down to the village headmen with amounts that are immaterial as they are paid over

depreciated rouble notes, while on the other hand the Japanese under guise of a certain brotherly right use the mailed fist. Quite a different picture would present itself if the Japanese were to adopt the Russian method. Japanese aggression must result in driving the Chinese into the open arms of the Russians, but I can see only advantage to neutral foreign interests in general if Russia in time will again recognize that she has a solid frontier in the Far East.

Practically speaking, conditions in Manchuria at present are as follows: South Manchuria from Dairen to Changchun is open for the trade and commerce of all, though in industrial undertakings foreigners other than Japanese are undoubtedly restricted. On the contrary, North Manchuria beginning with Changchun is de facto a closed Russian preserve, where the Chinese officials tolerate in the widest sense Russian tutelage, if they do not even acknowledge what amounts to a Russian protectorate. These differences in Russian and Japanese methods in North and South Manchuria are clearly seen by all observers. So far as I can learn the consular authorities of all the European powers are disposed to assume a complaisant attitude toward these two powers in Manchuria.

The various Chinese Governors General in Mukden have in conversations with me frequently lamented the fact of this apparent indifference to the fate of Manchuria. They stated that the interest manifested by other powers in the Manchurian situation had been a great assistance to the Chinese Government in its efforts to strengthen its hold on Manchuria, and expressed the hope that, with the restoration of peace in Europe, the Western Powers would devote their attention anew to this region and give China their hearty moral support, not only in the maintenance of the status quo but in strengthening still further her political position in Manchuria.

I have the honor to be, Sir,

Your obedient servant,

P. A. Winslow Lehman

Consul General.

710.

I/Ba.

Transmitted in triplicate.

Chinese Treaties, Contracts etc.

Sub.
Recd.
Ack.
Ans.
Ref.
Ans.

Peking.

No. 1243. October 27, 1916.

710

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to enclose, for the information of the Department, a list of Treaties, Contracts, etc., with or concerning China, concluded during the years 1912 to 1916, both inclusive, with exceptions as noted on the first page.

I have the honnr to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosure:

As stated.

710.

A true copy of the signed original.

1467

File III

TREATIES, CONTRACTS, &c. WITH OR CONCERNING CHINA,
CONCLUDED DURING 1912, 1913, 1914, 1915, AND 1916.

NOTE: The following list does not include the contracts in regard to the loan of £400,000. by the Banque de Reports (Belgian), the loan of francs 50,000,000. by the Banque Industrielle (French), and the Japanese railways in Manchuria, concerning which no adequate information is available.

1912

JAPAN (East Asia Development Co.) and CHINA - Agreement for loan for Nanchang-Kiukiang Railway.

Jan. 23rd: INTERNATIONAL and CHINA - International Opium Convention (Treaty Series No. 612).
NOTE: Ratified in behalf of China, Feb. 11, 1915 (See Note from Wai Chiao Pu - No. 293 - to Legation, Feb. 20, 1915).

" 27th: JAPAN (Okura & Co.) and CHINA (Nanking Provisional Government) - Agreement for loan of Yen 3,000,000. secured on the Kiangsu Section of the Shanghai-Hangchow-Ningpo Ry.
NOTE: See Shanghai-Pengshing Railway Mortgage Redemption Agreement, between British & Chinese Corporation, Ltd., and Chinese Government, Feb. 14, 1914.

" 30th: INTERNATIONAL and CHINA - Arrangement for the Establishment of a Commission of Bankers to receive the Customs Revenues for the serives of the foreign debts charged thereon.

Mar. 14th: BELGIUM, GREAT BRITAIN, FRANCE & RUSSIA (Syndicate represented by Banque Sino-Belge) and CHINA - Loan Agreement for £1,000,000.*
*In pursuance of Preliminary Contract, Feb. 20th, 1912. Further loan contract signed April 12, 1912, but canceled save as regards £250,000. already advanced.
(Translation in CHINA YEAR BOOK, 1913, p. 351)

" 31st: CHINA -- Provisional Regulations for the working of the Chinese Maritime Customs Office at Antung for through Railway Traffic over the Yalu River Bridge. Antung's June 9, 1915, to Legation.

Apr. 9th: INTERNATIONAL and CHINA - Whangpoo Conservancy Agreement (see supplementary Article of Sept., 1915 - Diplomatic Circular No. 88 of September 13, 1915).

July 19th: GERMANY (Deutsch-Asiatische Bank) and CHINA - Agreement concerning advances to the Tientsin-Pukow Railway (Wang's RAILWAY LOAN AGREEMENTS, p. 449).

Aug. 12th: GERMANY (Deutsch-Asiatische Bank) and CHINA - Agreement concerning advances to the Tientsin-Pukow Railway (Wang's RAILWAY LOAN AGREEMENTS, p. 455).

" 28th: GREAT BRITAIN (Chinese Central Railways, Ltd) and CHINA - Agreement concerning advances to the Tientsin-Pukow Railway (Wang's RAILWAY LOAN AGREEMENTS, pp. 459 to 465).

" 30th: GREAT BRITAIN (C. Birch Crisp & Co.) and CHINA - Loan contract for £10,000,000.*
*In pursuance of a Preliminary Agreement of July 12, 1912. The contract was subsequently canceled, save as to £5,000,000. already issued, on payment of £150,000. to the Company. (For text, see CHINA YEAR BOOK, 1912, p. 360).

Sept 24th: BELGIUM (Société Générale de Chemins de Fer et de Tramways en Chine) and CHINA - Loan contract for the construction of a railway from Lanchow to Haichow (Lung-Tsing-U-Hai Line).
NOTE: See supplementary clause, Dec. 12, 1912.
(Wang's RAILWAY LOAN AGREEMENTS, p. 606).
See Peking's No. 746 of Feb. 18, 1913; also its 657 of Oct. 12, 1912, and 824 of April 24, 1913, to Department - file 877).

Nov. 2nd: CHINA - Agreement made between the Department of Communications and the Szechuan-Hankow Railway Company re the taking over of the Szechuan-Hankow Railway by the Department of Communications.

" 3rd: (Oct 21) MONGOLIA and RUSSIA - Agreement and Protocol. Legation's No. 707 of January 7, 1913, to Department.

Dec. 11th: GREAT BRITAIN (City Safe Deposit and Agency Company, Ltd.) and CHINA - Agreement for a loan for the redemption of the Peking-Hankow Railway.

" 12th: BELGIUM (Société Générale de Chemins de Fer et de Tramways en Chine) and CHINA - Clause supplementing the loan contract of Sept. 24, 1912, for the Lung-Tsing-U-Hai Railway). (Wang's RAILWAY LOAN AGREEMENTS, p. 647).

1913

Mar. 7th: SWEDEN and THE UNITED STATES - Exchange of Notes in regard to the reciprocal Protection of Industrial Property in China.

Apr. 10th: AUSTRIA-HUNGARY (Group of Bankers represented by Arnhold, Karberg & Co.) and CHINA - (Two Loan Agreements for £2,000,000. and £1,200,000., respectively, with correlated contracts for the supply of torpedoboat-destroyers - 18 in all). For extracts and summaries, see CHINA YEAR BOOK for 1914, p. 404; also FAR EASTERN REVIEW, May 1915, pp. 532-35.

" 26th: GERMANY (Deutsch-Asiatische Bank); FRANCE (Banque de l'Indo-Chine); GREAT BRITAIN (Hongkong & Shanghai Banking Corp.); JAPAN (Yokohama Specie Bank); RUSSIA (Russo-Asiatic Bank) and CHINA - Reorganisation Loan Agreement *
*Accompanied by Agreement for Advances and Annexes.
(See CHINA YEAR BOOK, 1914, p. 387; also Legation's file No. 851.A for 1913).

May 1st and 3rd: FRANCE (Banque de l'Indo-Chine); GERMANY (Deutsch-Asiatische Bank); GREAT BRITAIN (Hongkong & Shanghai Bank); UNITED STATES (The American Group); and CHINA
Exchange of Notes in regard to Procedure under the Hukuang Railway Loan Agreement of May 20, 1911.
(Wang's RAILWAY LOAN AGREEMENTS, p. 385).

May 29th: JAPAN and CHINA - Arrangement relating to the Reduction of Customs Duties on Goods transported by the Antung Railway.
(Customs Notification, Antung's No. 104 of June 2, 1913; Legation's No. 887 of June 7, 1913, to Department).

June 6th: GREAT BRITAIN (British & Chinese Corp., Ltd.) and CHINA - Letter from the Corporation to the Minister of Communications relating to the Advances made to the Canton-Kowloon Ry.
(Wang's RAILWAY LOAN AGREEMENTS, p. 391).

July 22nd: BELGIUM (The Belgian Railway Company of China), FRANCE (The French Company for the Construction and Operation of Railways in China) and CHINA - Contract for the Chinese Government 5% Gold Loan for the Tung-Cheng (i.e., Tatung-Chengtu) Railway Line of 1913.
(Wang's RAILWAY LOAN AGREEMENTS, p. 655).
See also French text in Charignon's "Les Chemins de Fer Chinois, p. 191.

Oct. 27th: FRANCE (Banque de l'Indo-Chine), GERMANY (Deutsch-Asiatische Bank), GREAT BRITAIN (HongKong & Shanghai Banking Corporation), UNITED STATES (The American Group), and CHINA - Agreement re Hukuang Railway. Referred to in exchange of letters between Banks and Ministry of Communications, Jan. 22, 1914, quoted in Wang's RAILWAY LOAN AGREEMENTS, p. 597.

" 30th: GREAT BRITAIN (Brtish & Chinese Corp., Ltd) and CHINA - Agreement (by letter) concerning the Issue of Shanghai-Nanking Railway Bonds for the purchase of land. (Wang's RAILWAY LOAN AGREEMENTS, p. 279).

Nov. 5th: (Oct 25) RUSSIA and CHINA - Declaration and Exchange of Notes in regard to Outer Mongolia. See FAR EASTERN REVIEW of November, 1913, p. 224, for text of agreement.

Nov. 14th: GREAT BRITAIN (British & Chinese Corps, Ltd.) and CHINA - Loan Agreement for the Pukow-Sinyang Railway. Wang's RAILWAY LOAN AGREEMENTS, p. 691. Text also found in FAR EASTERN REVIEW, January 1914, p. 307).

" 1 : FRANCE (Banque Industrielle de Chine) and CHINA - Loan for the Construction of Harbor Works at Pukow and of a Bridge over the Yangtze from Hankow to Wuchang.

Dec. 2nd: JAPAN (Yokohama Specie Bank) and CHINA (Hanyehping Coal and Iron Co.) - Loan agreement for ¥9,000,000. (See FAR EASTERN REVIEW of March 1914, p. 396). Agreement A.

" " : JAPAN (yokohama Specie Bank) and CHINA (Hanyehping Coal and Iron Co.) - Loan Agreement for redemption of Short Period Loans contracted from Japan by the Company. (FAR EASTERN REVIEW of March, 1914, p. 399). Agreement B.

" 2nd: JAPAN (Yokohama Specie Bank and Japanese Iron Works) and CHINA (Hanyehping Coal & Iron Co.) - Supplementary Agreement regarding sale of ore, employment of Japanese engineers, etc., with annexes. (FAR EASTERN REVIEW of March, 1914, p. 397).

" 18th: GREAT BRITAIN (Pauling & Co.) and CHINA * Preliminary Agreement for the financing and construction of a railway from Shasi to Shingyi. (Text in Charignon's LES CHEMINS DE FER CHINOIS).
NOTE: See final detailed agreement of July 25, with supplementary agreement canceling preliminary agreement.

" 31st: GERMANY and CHINA - Exchange of Notes embodying an Agreement concerning the Construction of a railway from Kaomi to Hanchwang and of the so-called Tsinanfu-Shuntefu Railway.

M E M O R A N D U M

~~Presidential Mandates; treaties and contracts entered into by China and by Mongolia; international agreements and regulations affecting China, etc.~~

1914

Jan. 8th: Presidential Mandate concerning the voluntary opening of certain ports.

" 21st: FRANCE (Banque Industrielle de Chine) and CHINA - Contract for the 5% Gold loan of 1914 for the Ching-Yu Railway (Yamchow - Yunnanfu - Chungking).

" 30th: UNITED STATES (American National Red Cross) and CHINA - Memorandum in regard to a loan for the Conservancy of the Huai River.

Feb. 10th: UNITED STATES (Standard Oil Company of New York) and CHINA - Agreement concerning the exploration and operation of oil fields in the Provinces of Chihli and Shensi.

" 14th: GREAT BRITAIN (British & Chinese Corporation, Ltd.) and CHINA -Memorandum of Agreement for the resumption, as a Government Railway, of the Railway from Shanghai to Fengching (Kiangsu section of the Shanghai-Hangchow-Ningpo Railway).
NOTE: See Loan Agreement of March 6th, 1908.

" 14th: GREAT BRITAIN (British & Chinese Corporation, Ltd.) and CHINA - Agreement for loan for the Redemption of the Mortgage* upon the Shanghai-Fengching Railway (Kiangsu Section of the Shanghai-Hangchow-Ningpo Railway).
* Mortgage held by Okura & Co. under agreement of January 27, 1912, with Nanking Provisional Government, for Yen3,000,000.

Mar. 31st: GREAT BRITAIN (British & Chinese Corporation, Ltd.) and China - Agreement for the Nanking-Nanchang-Pinghsiang Railway.
To Department with No. 624 of May, 1915.

Apr. 8th: FRANCE and CHINA - Convention in regard to Extension of the French Concession at Shanghai.
Peking's No. 319 of July 30, 1914.

Apr. 30th: (17) GREAT BRITAIN and RUSSIA - Agreement respecting the Inclusion of British Subjexts within the Scheme of Municipal Administration and Taxation established in the Area of the Chinese Eastern Ry.

NOTE: As annex, see King's Regulations No. 20 of 1914, Russian-Chinese Railway Settlement Regulations.

June 24th: GERMANY and CHINA - Final Agreement in regard to Extensions of the Shantung Railway, in pursuance of the Preliminary Agreement of December 31, 1913.
See FAR EASTERN REVIEW, June 1914 for digest of agreement.

July 9th: INTERNATIONAL and CHINA - Agreement and Regulations for the Liao River and Bar Conservancy Board.
NOTE: For understanding between Japan and China re exemptions from surtax, see Diplomatic Circular No. 141 of July 11, 1914. See also despatch from Newchwang to Legation of March 9, 1915.)

July 25th: GREAT BRITAIN and CHINA (Pauling & Company of England) - Final contract for the Shasi-Singyifu Railway, together with Supplementary Agreement providing for Agreement of December 18, 1913, and exchange of notes.

Sept 15th: UNITED STATES and CHINA - Treaty providing for the Pacific Settlement of International Disputes.

" 17th: GREAT BRITAIN (Samuel & Company, Ltd) and CHINA - Agreement for a Loan for the Improvement of Hankow*.
*Option extended for two years after close of European War: see Legation to Department No. 1026 of April 18, 1916.
NOTE: See also Peking's despatches of September 29th, October 14th and 23rd, 1914).

" 19th: GREAT BRITAIN (Brtish & Chinese Corporation, Ltd.) and CHINA - Agreement for the Transfer to the Chinese Government of the Chekiang Section of the Shanghai-Hangchow-Ningpo Railway.

" 30th: (17) MONGOLIA and RUSSIA - Agreement concerning the granting to the Russian Telegraph Administration of a Concession for a telegraph line from Monda to Uliassutai.
Depsatch from Harbin to Peking, December 2, 1914, File 877).

" 30th: (17) MONGOLIA and RUSSIA - Agreement concerning railways in Mongolia.
NOTE: See Harbin's Dec. 2, 1914, to Peking Legation, file 877).

Oct. 1st: GREAT BRITAIN and FRANCE (Anglo-French Corporation, Ltd.) and CHINA (Peking Commercial Tramway Company) - Contract for financing and construction of Peking tramways (to Dept. June 1915).

Nov. 9th: GREAT BRITAIN (The Peking Syndicate, Ltd) and CHINA (Province of Honan and Chung Yuan Company) - Preliminary Agreement concerning coal mining in Honan.
N.B. - See Final Agreement, May 7, 1915.

" 9th: JAPAN (Military Administration in Kiaochow Leased Territory). Regulations.
See Tsing Consul's despatch No. 27 to Department of Jan. 22, 1915, sent from Hankow.

Dec. 28th: JAPAN (Military Administration in Kiaochow) Provisional Customs Regulations for Tsingtau.
(See Tsingtau Consul's No. 27 to Department of Jan. 22, 1915, sent from Hankow).

1914

Jan. 26th: JAPAN (Military Administration of Tsingtau). Military Notice and Regulations in regard to the leasing of land.
(Tsingtau Consul's despatch No. 35 of Feb. 23, 1915, to Department).

Feb. 9th: GREAT BRITAIN (Hongkong and Shanghai Banking Corporation)* and CHINA - Regulations of the Domestic Loan of the 4th Year of the Republic of China.
* Hongkong & Shanghai Banking Corporation, jointly with the Bank of China and Bank of Communications, appointed under the Regulations as an issuing Bank.

" 18th: CHILE and CHINA - Treaty of Friendship.

Apr. 15th: FRANCE (Indo-China) and CHINA - Arrangement for the maintenance of order on the Sino-Annamite frontier.

May 7th: GREAT BRITAIN (Pekin Syndicate, Ltd.) and CHINA (Province of Honan and Chung Yuan Company) - Final Agreement and Regulations in regard to coal mining in Honan.
(See PEKING GAZETTE of May 18, 1915, also that of May 21, 22, and 25th, giving translation of draft signed October 10, 1914).

May 25th: JAPAN and CHINA - Treaty respecting the Province of Shantung, with accompanying exchanges of notes.

" " JAPAN and CHINA - Treaty respecting South Manchuria and Eastern Inner Mongolia, with accompanying exchanges of notes.

" " JAPAN and CHINA - Exchange of notes respecting the Hanyehping Company.

May 25th: JAPAN and CHINA - Exchange of notes respecting naval bases, etc., on the coast of Fukien Province.

" 29th: UNITED STATES (F. Mertens' Sons) and CHINA - Contract for the establishment of a steamship company.
Peking to Department, May, 1915.

June 1st: THE NETHERLANDS and CHINA - Treaty providing for Obligatory Arbitration.

" 7th: RUSSIA, MONGOLIA and CHINA - Agreement concerning Outer Mongolia.
(See Peking to Department, Sept. 9, 1915).

Aug. 16th: JAPAN and CHINA - Agreement concerning the reopening of the Chinese Maritime Customs Office at Tsingtau.

Sept -----: INTERNATIONAL and CHINA - Supplementary article to the Whangpoo Conservancy Agreement of April 9, 1912, regulating the Registration ~~of~~ and Sale of Crown or Shengko Lands (Filed with Agreement of 1912).
(See Peking Diplomatic Circular No. 88 of Sept. 13, 1915).

1916

Mar. 27th: RUSSIA (Russo-Asiatic Bank) and CHINA - Contract for the Chinese Government 5% Gold Loan of 1916 for the Pin-Hei Railway.
(See Harbin Consulate to Peking Legation June 24, 1916; also Legation to Department, No. 1057 of April 20th).

Apr. 19th: UNITED STATES (The American International Corporation and Siems & Carey) and CHINA - Agreement in regard to the South Grand Canal in Shantung Province 7% Improvement Gold Loan; with Annex.
(See Annex, Supplementary Articles 1916).

May 13th: UNITED STATES (The American International Corporation) and CHINA - Agreement in regard to the Huai River Conservancy Grand Canal Improvement 7% Gold Loan of 1916; with Annex.
(See Huai River Conservancy Memorandum of January 30, 1914).

" 17th: UNITED STATES (Siems & Carey) and CHINA - Exchanges of Letters and Supplementary Agreement in regard to the Construction of certain lines of Railway.
(See agreement of August 31, 1916).

June 9th: JAPAN (Bank of Chosen) and CHINA (Mukden Bureau of Finance) - Agreement for a loan of Gold Yen 1,000,000. for the adjustment of the reserves of Chinese banks in Mukden.
(See Mukden's despatch No. 128 of June 30, 1916, to Peking).

" 9th: JAPAN (Bank of Chosen) and CHINA (Mukden Bureau of Finance) - Agreement for loan of Gold Yen 2,000,000. to redeem note issues of Chinese Banks in Mukden.
(See Mukden's No. 134 of August 8, 1916, to Legation).

To Dept. 1/15/16 KL 1169

AMERICAN CONSULAR SERVICE.

No. 69. Foochow, China, January 6, 1916.

Subject: Change in existing form of government.

Honorable Paul S. Reinsch,
American Minister,
Peking.

Sir:

Sub
Recd 10 JAN
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Ref.
Ans.

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Referring to the question of a change in the form of government, I have the honor to report I have ascertained from reliable sources that the local Governor received a telegram from the Central Government on the second instant announcing the establishment of the monarchy as effective from January 1, 1916. The local officials have been instructed that the new reign will be styled Hung Hsien (洪憲), and that the dynasty will be named the Monarchy of China (Chung Hua Ti Kuo 中華帝國). All the local offices have been instructed by the Governor to adopt the style of the new reign, i.e. 1st year of Hung Hsien. The local post and telegraph offices have also received telegraphic instructions from Peking to adopt the new style of year, and to make the necessary alterations accordingly.

The several local newspapers have now announced the establishment of the new monarchy, but no official proclamation or other notice has yet been issued for

the

the information of the public generally. I have made discreet enquiry and can find no evidence of local hostility towards the change, and trade conditions seem but little affected, business being carried on as usual. Some fear of impending trouble appears to be felt, however, but should no untoward happening occur in other districts in the province, local conditions will continue to be peaceful and quiet.

I have the honor to be, Sir,

Your obedient servant,

Albert W. Fontura

Consul.

800.

(Copy to Department)

AMERICAN CONSULAR SERVICE.

No. 26. Changsha, China, January 11, 1916.

To Dept FEB -2 1916

Subject: Political Conditions in Hunan Province.

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sub
Recd 17 JAN
Ack
Ans
Ref
Ans

800

Sir:

I have the honor to report that since my despatch No. 16, dated October 29, 1915, reporting on the decision of this Province as to the form of Government to be adopted in China, everything has been quiet throughout the Province of Hunan. This quiet state of affairs is to be accounted for by several facts; the indifference of the people, the excellent control which the present Military Governor Vice Admiral Tang exercises over his troops, and measures which the local authorities have taken to prevent outside news of a disturbing nature being circulated locally by the press.

The People are indifferent.

The province of Hunan has, during the year just past enjoyed exceptional crops in tea and rice, and the high prices which antimony has been bringing have brought considerable sums into the pockets of mine owners, smelters and dealers. The result has been that the farmers throughout the Province are contented and are anxious to be allowed to enjoy their profits in peace. I have, within the past month, received letters from Missionaries residing in various parts of the Province, all of them speak of the quiet way in which the proposed change in form of Government appears to be taken. I shall quote

here

here portions of some of these letters which have a bearing upon this subject.

Hengchow. The Rev. Mr. Crabb writes me from Hengchow that:

"There seems to be reaction more or less in every way, less attention to schooling. One school closed is all I know of. Less wearing of foreign dress, growing long hair, a long queue was seen a few days ago. The people hardly dare express themselves on politics, but they are opposed to monarchy. F Foreign goods on sale remain about the same, perhaps less of foreign hats, shoes and dress. The people wish quiet, peace, that they may go about their usual pursuits. Business seems very good judging by the crowds on streets and the building of new buildings".

Siangtan . Dr. F. J. Tooker writes me the following from Siangtan:

"There have been no new schools opened, and the number of pupils in the Government Schools is probably less than a year ago. There was a boom in education when the Republic came in, but the Government aid for students and the money available for schools support from taxes has steadily decreased. There are more schools supported by the gentry in the Country.districts than in pre-Revolution days...Siangtan did its duty in supporting the change in Government, but as one Chinese said 'That was what they were instructed from Peking to do, so what else could be done?' As another said, 'There is none in China who wants Yuen as Emperor'.'There will surely be a revolution, if the empire is restored' said another, - 'Not now', as another Chinese put it, ' for they are unprepared for it, but a year or two hence.' Some however seem indifferent to the change. Business is more or less depressed by the political situation."

Yu Hsien (攸縣) (Between Hengchow and the EasternBorder)

The Rev. Mr. C. C. Talbott writes the following from Yu Hsien:

"There is very little said about the change of government and as a whole I think the mass of the people care very little about it. Some are strongly opposed to the change however and on the otherhand we have a faction here who I understand have always been opposed to the Republic. Business is flourishing .. I have noticed no increase in foreign goods. Rather a decrease because of the higher prices. The district is rather under populated as compared to other sections and people make a living and save money with much less effort than around Changsha or Siangtan. I am told that Siangtan farmers come up here and in a few years get careless and indolent like the people of the district. Another great difference is in the payment of the land tax. Men are out all the time drumming the people for their taxes and then much it is two or three years over due. It seems little or nothing is done if they do not pay."

Changteh. Dr. O. T. Logan, writes the following from Changteh:

"The

"The number of students in the Government schools has not decreased but the teachers tell metthat there is less money given than in former years for the current expenses of the schools. So far as I can learn, the number of schools is the same as last year. In general I think it may be said that the people are not much concerned about the political conditions. The thinking class seem to favor the continuation of the Republic but admit that should Yuan die, things would be in a bad state. Others have said that they do not oppose a monarchy but they deplore the fact that all the good statesmen are leaving Yuan. The city has recently been draped with flags but nobody seems to know just what the draping means except that it has to do with Yuan." Dr. Logan adds the following post-script to his letter which was dated December 27th, 1915. "I was just called to patch up the head of the man who was deputed to call upon the officer in charge of the Northern soldiers who are leaving for Kueichow. During the past few days they have been going to the pawn shops and offering old and worthless bedding and clothing for pawn, demanding of the shop more than the stuff would be worth if it was new. The pawn shops all closed their doors today and the soldiers broke one up badly. The Business men's Association deputed the man mentioned to call upon the officer in charge of the soldiers and the soldiers attacked him as he was returning and beat him severely. Word is on the street that Kueichow and Yunnan have risen in rebellion on account of the monarchy movement and that the soldiers from Yochow are coming up the river to suppress the rebellion. I am giving you this information for what it may be worth, not for publication but for information. We do not anticipate any trouble here. The soldiers will probably have their way and there is no force capable of resistance even if the people were so inclined, which they are not."

To the above which describes conditions in widely separated places in the interior of the Province I might add on behalf of Changsha that similar conditions exist here. I made a short trip to some mountains about twenty five miles north of the city of Changsha over the New Year and was informed that the people thereabouts talked little of the proposed change in the form of the Government. They still talked however of the Japanese demands. I have been informed by a teacher in one of the oldest and largest of the local Government schools that the Central Government has practically withdrawn its support from that school but that the local Provincial Government had decided to keep the school open. I have been unable to get any statistics but it is generally believed that there are

less

pupils in the schools this winter than heretofore and I am informed by one influencial Chinese, his statement seems to be borne out by what Dr. Tooker says in that portion of his letter which I have quoted above, that there is a growing prejudice on the part of Chinese parents against the modern schools. They have seen these schools turn out young men with little or no knowledge of the literature of their own country, unable in some cases to write a polised letter in their own language, they have seen their sons changed in a short time from the conservative heir to landed property and ancient family and clan traditions of personal and family conceptions of intercourse, Government and relationship and law to a revolutionist who either abandoned his people for their old ideas or endangered the lives of the family by his radical and revolutionary views and acts. These people, he informed me were taking their children out of the schools and bringing them back to the home education, the tutor and the ancient conception of right and wrong, personal and family relationships, theory of government. Shortly before Christmas I saw two dragon flags of the Ching Dynasty draped before the entrance to the Changsha Chamber of Commerce along with the five colored flag of the Chinese Republic. They were not attracting any attention nor did the fact of the their being there cause much comment when I mentioned it to Chinese friends. Another sidelight on the indifference of the people to the state of affairs and the needs of the Government comes from a visit which I received yesterday from representatives of the Wah Chang Mining and Smelting Company. I have the honor to request that this matter be treated as confidential. These

gentlemen

gentlemen came to state that their launch with which they were towing their shipments of antimony regulus to Hankow and Shanghai would be in danger of seizure by the officers commanding the troops now being moved from Yochow to the Kueichow border and up to Ichang and they wished to know whether they could not have the boat registered at this office so that she could fly the American flag and be exempt from seizure. They frankly stated that it was only a temporary measure to be resorted to for the period of a month or two. They were greatly disappointed when I pointed out to them that this could not be done under the navigation laws of the United States. Their desires in the matter form a contrast to the fact that Mr. Yang Tu,one of the chief shareholders in the Company, is reported to have been one of the most prominent movers in the movement in favor of a monarchical form of Government. Yeh Teh-huei (葉德輝) who established the branch of the Ch'ou An Hui (籌安會) here at Changsha was elected as Chairman of the Provincial Educational Commission in the Fall just before the voting on the form of Government. When one talks to the foreign educated Chinese here one finds that they are all opposed to a change in the form of Government but many of them feel that after all the monarchical form of Government is best suited to China's needs just at present. Most of them who possessed the proper qualifications of a voter showed their opposition to the proposed change by refusing to vote.

The Military Governor appears without doubt to exercise a great influence and control over the soldiers under his command here. During the summer he spent a great deal of his

his time with his men at the barracks outside of the city. He keeps them well uniformed and they are apparently well and regularly paid for I constantly come across small parties of them in the streets of the city visiting the shops, hovering around the show cases and making small purchases. They are kept at work all the time. About a month ago the Military Governor conceived the scheme of importing high grade cotton seed and encouraging the soldiers to grow it and sell it at a profit, the profits to be devoted to the uses of the military. The appearance of the Governor's Yamen shows, however, that he has kept things prepared in case of an attack for he has set up sentry boxes on the walls at all corners building steps to them. Places have also been built so that soldiers can mount to a position where they can fire over the wall. At the elections which have taken place large numbers of troops have been stationed in the Yamen compound. He has kept a fair number of troops quartered in the Yamen itself all of the time and has a parade ground and place for open air gymnastic exercises. No one is allowed to enter the yamen except those on business and those who wear small silver badges suspended from their watch chains to show that they possess the entre to the yamen at all times.

Careful steps have been taken to prevent all news of a disturbing character from being circulated locally. So far as I have been able to learn the only papers published in Hunan are published here at Changsha. These papers have to be submitted to the scrutiny of the police before they are allowed to be printed. Shortly before the voting on the form of Government which took place in the latter part of October the public was notified that no code telegrams might be transmitted

transmitted over the lines of the Telegraph Administration without having the seal of the consulate of the nationality concerned. All telegrams received are scrutinized by order of the Military Governor and telegram containing information of a political nature are not delivered to the addressees. This latter statement applies of course to Chinese telegrams. On one or two occasions the papers, notably the Ta Kung Pao (大公報) have sent out an issue with a blank space left in the telegram column or other section of the paper marking an article, leader or telegram which has been thrown out by the censor. An on one occasion the same paper, in October last, published certain telegrams which had been printed in the Shanghai papers. These telegrams bore upon the approaching elections and voting concerning the change in the form of Government. For some reason or other they got by the censors and the police had to make the rounds of the city the next day visiting each house where the paper was taken and taking up the papers. The news of the trouble in Shanghai came to the foreign community here through Reuter's telegrams but was not published in the Chinese vernacular press. Chinese are themselves constantly coming to foreigners and endeavoring to get news of what is going on outside of the Province.

The Provincial Capital has been full of rumors concerning what has been going on in Yunnan and we now know that Yunnan has declared its independence and we understand that Kueichow and Szechuan have stood in with Yunnan. Troops are being moved from Yochow up towards the Kueichow border through the Yuan River valley. Troops have also been moved south to the bordersof Kuangsi

I have the honor to be, Sir,

Your

I have the honor to be, Sir,

Your obedient servant,

Nelson Trusler Johnson

American Consul.

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J.

This despatch in triplicate.

No. 55

To Dept FEB-2 1916

AMERICAN CONSULATE,

SWATOW, CHINA.

January 11, 1916.

Subject: Execution of Revolutionary Suspects at Swatow.

Sub.
Recd. 20 JAN
Ack.
Ans.
Ref.
Ans.

Honorable Paul S. Reinsch,

American Envoy Extraordinary
and Minister Plenipotentiary,

Peking.

800

Sir:

I have the honor to report that on January 4, 1916, about a dozen revolutionary suspects were arrested at Swatow. One bomb, 27 bomb cases and a quantity of bomb making materials were reported to have been discovered in their possession. Three of the suspects admitted their guilt, while the others were set free. Acting under authority from the Provincial Government, the local military officials executed the three found guilty on January 8th. Local officials state that these men confessed that they were appointed by Ch'en Chiung Ming (陳炯明 ex Tutu of Kuangtung) as commanders of the would be rebel forces at Swatow.

On January 9th, a local police officer was executed for being concerned in the revolutionary plot.

The arrest of these suspects caused a stir in the business section of Swatow, for many native shops put up their shutters and stopped business. Aside from this,

the

the people of Swatow have received the news of the inauguration of the empire in an apathetic manner, although many rumors are existent, one of which is that the revolutionists intend interfering with foreigners to bring about foreign intervention. The two local vernacular newspapers have commenced using the characters Hung Hsien (洪憲), representing the year title of the new emperor. The local office of the Chinese Maritme Customs has also been ordered to use this year title by the Inspectorate General at Peking.

I have the honor to be, Sir,

Your obedient servant,

H. E. Andrews

Consul.

800

In triplicate

AMERICAN CONSULAR SERVICE.

No.-- Foochow, China, January 12, 1916.

Subject: Resumé of political and economic conditions in Foochow consular district during 1915.

Sub.....
Recd. 25 JAN
Ack.....
Ans.....
Ref.....
Ans.....

800

Honorable Paul S. Reinsch,
American Minister,
Peking.

Sir:

In compliance with Legation circular instruction No. 55, dated November 11, 1915, requesting that a general report on political and economic conditions during the past year be sent to the Legation, I have the honor to transmit the following information.

Political.

The anti-Japanese boycott was quietly made effective in the beginning of June, and during the following five months the losses of the local Japanese import merchants ran into many thousands of dollars. The end of October showed that the agitation was on the wane, and by the end of the year the boycott had dwindled into more or less insignificance.

In June impeachment proceedings were instituted at Peking against the Governor of this province, the accusations having been brought forward by a small group of prominent officials at the capital. The President delegated a Special Commissioner to make an investigation

on

on the spot, and the result of the investigation apparently exonerated the Governor, although several minor officials were dismissed from office. The accusations were made by political enemies of the Governor and were prompted by petty spite, the official exoneration making him more popular than ever. The concensus of opinion seems to be that the present Governor is the best provincial head the province has had for many years.

Certain remote districts of the province continued to be in an unsettled condition throughout the year, but the vigilance of the military authorities made easy the suppression of outbreaks before they became serious in nature. American missionaries experienced no difficulty in traveling to and from their stations, thus showing that the highways were safe for travel.

During September the question of a change in the form of government received considerable local attention by the officials concerned, the public generally at no time exhibiting much interest in the matter. A primary election was later held in the different districts of the province, and some 400 delegates were chosen to proceed to Foochow to vote on the question of change in form of government and the election of 9 representatives for the Parliament at Peking. The delegates voted in favor of a monarchy, and after electing the representatives to the Parliament, returned to their homes in November.

Economic.

The Ministry of Finance in October instructed the local officials that the annual expenditures of the provincial administrative yamens had been cut to the following amounts: Governor's office $200,000; Military General $120,000; financial department $200,000; high court $30,000; local court $15,000; taoyin $20,000; first grade magistrate $10,000; second grade magistrate $8,000;

Fukien province is required to remit annually to Peking the sum of $1,500,000 as its share in the payment of the national debt. During the past year the amount of taxes collected to apply to this fund by the different magistrates in the province, aggregated $1,900,000, the sum being $400,000 in excess of the amount required.

The income during the past year from the sale of tobacco and wine under the control of the Government will reach $800,000. The total estimated income from all provinces is said to be $15,800,000.

It is reported that the annual production of salt in Fukien province is estimated at 14,280,000 piculs, and as the Government realises about $3.00 in revenue on each picul, it will be seen that the receipts from this source run into very large figures. About 2,000,000 piculs are sold annually in Fukien itself.

Precedents.

Conditional likin exemption on foreign goods.

The defining of the proper treaty port limits at the

different

different places in China has always proved a vexatious question in the past, and it is certain that the representatives of the foreign powers have never consented to the contention that the native city of Foochow, which is situated on the opposite side of the Min river from Nantai where all the foreign firms are located, was to be considered as "nei ti" (地內 inland and not entitled to treaty port privileges). It appears that when this question was fought some years ago, the Chinese officials offered a compromise in the way of permitting foreign firms to transport their goods into the city free of likin collection provided such goods were accompanied by a so-called"bridge pass"issued and countersigned by the foreign consuls concerned. This practice has been an established custom for some years, and the passes are issued to any applicant provided the goods to be transported are of foreign importation which latter fact is stated in more or less detail on the pass itself.

During August the local likin office asked that the foreign consuls supply a list of the foreign firms at Foochow, with a view to putting a stop to native firms applying for bridge passes covering foreign goods in transit to the native city. This Consulate refused to send any such list and it was insisted that the passes issued by this Consulate covered American goods irrespective of the fact whether shipped by native or foreign firms. The foreign consuls were unanimous on this point and the matter was dropped.

Sedan chair tax.

Precedents. (continued)

Sedan chair tax.

In June the local authorities attempted to impose a sedan chair tax in Foochow on both natives and foreigners. The foreign consuls refused to sanction the imposition of the tax on their nationals and much opposition was also shown by the native population directly concerned. The imposition of this tax proved a failure and the tax was then abolished.

Arrest of native employees of foreigners.

The local Chinese authorities have steadfastly held to their contended right to arrest within native jurisdiction Chinese employees of foreigners, without prior submission of the warrant or matter to the foreign consul concerned. Two cases of such arrests in which two local American firms were involved occurred in Foochow during the recent past, and all protests of this Consulate were of no avail. The final outcome of the points at issue was that the Governor assured this Consulate privately that every courtesy would be extended to the American consular official when it became necessary to effect a similar arrest in future. It seems apparent that with the exercise of a little tact, any such case can now be handled in a mutually satisfactory manner, as was evidenced from the friendly attitude of the officials at present shown on this same question.

Attempted collection of "royalty" tax on kerosene oil.

New regulations were drawn up in December covering the construction of an oil tank by the Standard Oil Co.

One of the clauses provided for the collection of a tax (効報) of 75% of a cash (apart from customs duties and collections levied on oil cargo and steamer) on each gallon (tax amounting to $750.00 on each 1,000,000 gallons). This Consulate protested against the inclusion of this clause and referred the matter to the Legation.

Annual bonds in connection with oil installations.

Under instructions received by the local officials from Peking, all annual guarantee bonds provided in connection with the maintenance of oil installations in China, were in future to be secured by one of the Chinese Government banks. Heretofore the Standard Oil Co. has used the Hongkong & Shanghai Banking Co. for this purpose. This question was also referred to the Legation for an instruction accordingly.

I have the honor to be, Sir,

Your obedient servant,

Albert W. Fontius

Consul.

(Copy to Department)

125.66

CONFIDENTIAL.

L. No. 179.

AMERICAN CONSULATE GENERAL,

Hankow, China, February 21, 1916.

To Dept FEB 24 1916

Subject: Political Conditions.

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sub.
Recd. FEB 24 1916
Ack.
Ans.
Ref.
Ans.

500

Sir:

I have the honor to report that the native press of the Wuhan cities and much of the foreign concessions have been rife with rumors of revolutionary plots for a number of days, which were anticipated taking place at the time of the Chinese Lantern Festivities. It is difficult to procure any reliable information touching the present conditions, though it is certain that there is more nervous sentiments and panicky inclination than formerly. The merchants have been more cautious, the officials more active in taking precautionary measures and the feeling of unrest in the entire population has been more or less apparent.

1/ I enclose translations of a notice furnished this office on yesterday regarding an incident, which occurred at Wuchang on the night of the 18th. Translation

2/ from the native press is also enclosed giving an account of the occurrence. These two reports are not quite consistent with each other, nor are they believed to be

really

really full information of what actually occurred. That there was a disturbance is unquestioned, and that there were shots fired by troops is not doubted, but that the disturbance was created by robbers is exceedingly doubtful.

There is very little doubt but that there is a certain amount of revolutionary feeling existing among the troops which is rendered more difficult by the fact that the entire troops are not wholly trusted by the superior officials, inasmuch as there have been instances brought to the attention of the superiors of attempts by the use of money and promises of official preferment to creat a rebellion among the troops. Regarding the incident of the 18th at Wuchang my opinion, based upon what is considered a reliable authority, is that the local officials are satisfied that a launch started from one of the bunds in the foreign concessions soon after dark on that night, bearing Chinese who are known to have revolutionary motives and that these landed in the southern part of Wuchang in front of the division of northern troops and that these persons shortly after set fire to a mat hut near by, then followed explosions of fire crackers and pistol shots, which was intended to be the signal to certain troops to revolt. It is well to state that on the side nearest the river is a division of northern troops, next come the Hupeh troops consisting of several hundred men, sandwiched between another regiment of northern troops, and it was understood that the military and other officials had during the past few days cautioned the various troops that in the event of explosions of fire crackers or firing of isolated guns these should

not

not be taken as alarming incident unless followed by reports from the patrol, and in no circumstances should soldiers leave the compound until clearly given orders to do so. Notwithstanding this rigid instruction it is said that there were more than forty troops left the barracks upon hearing the explosions of fire crackers and rifle shots above mentioned, and while there may be some doubt in the minds of military authorities of the reason for this breach, it is stated that those who left the barracks against orders have been released from military service. The reason for failure in this attempt to arouse the discontent is impossible to ascertain, but it is reasonably certain that it has been necessary for the commander to make certain compromise in the way of financial remuneration or other reward in order that the conditions may be considered as reasonably peaceful and loyal. This failure, it is hoped, may be the end of revolutionary activities here. Who can tell?

Among the attempts to corrupt the army is an instance where an orderly proceeding on leave of absence about the Chinese new year who, at the expiration of which , returned to Hankow but not to his post, who on the 17th reported to his superior that there would be an outbreak on the night of the 17th or 18th, and that he had been promised by certain Chinese by whom he had been approached command of a division of the revolutionary army and that he had received an aggregate of $180 from the Chinese society, and that this amount had been paid to him at a certain barber shop in the French concession

cession and two other places in the Japanese concession, in each instance by a Chinese. He returned to give this information and warning, but disappeared immediately. Another instance is that of a lieutenant stationed near Hankow, who had received instructions from the society at a small hotel to which he had been making reports for a number of days and he was given the pass word for each day. This subordinate had been reporting to his commander each of his act and also pass word, which was confirmed from other sources indicating that there exists in Hankow a society of some kind for the purpose of creating discontent among the troops. There are other instances which have been mentioned by the authority consulted, but these are sufficient to show that there exists some organization for the purpose of creating revolutionary spirit among the troops.

On the night of the 18th after the alarm in Wuchang the Chinese authorities requested the police of the various municipal concessions to take every possible precautionary measure resulting in a substantial increase in the police force of the various municipalities, excepting the Japanese, and a notification being sent to the British Volunteer force to be in readiness. Somewhat after mid-night I drove some seven miles up the Han River and it was perfectly apparent from the vigilance of the usually sleepy Chinese policeman or soldier that he too had received instructions to be on the lookout. From all sources comes evidence that the authorities consider the incident on the night of the 18th seriously.

There

There are in this vicinity now only about 7000 Chinese troops, scarcely more than half the number here there were at the beginning of the year, and it is rumored that an urgent request has been made for the force to be increased to its normal standing before the Yunnan revolution became known.

The official (whose name will be found in another despatch) furnishing considerable of the foregoing information sees nothing but Japanese influence. The barber shop mentioned above is owned by a Japanese, and the two other payments by Chinese were from a Japanese house and the hotel referred to is a Japanese hotel. The most casual observer can see increasing numbers of Japanese officials and soldiers in squads of three to six passing through the concessions and I am told, often times through the Chinese city as well. There are unconfirmed reports that a Japanese staff officer some time ago proceeded to Changteh to investigate the nature of the Chinese disturbance there. Should an outbreak occur there or elsewhere this side Ichang will it be the excuse for stationing Japanese troops is the question.

There are unconfirmed rumors also that a number of revolutionists from Shanghai and that vicinity are in the foreign concessions in Hankow, but like the rumors of the preceding paragraph there is little opportunity of confirming these in a manner which would justify their being furnished as facts.

I

I have the honor to be,

Sir,

Your obedient servant,

Edwin S. Cunningham

Consul General.

Enclosures:

Two, as stated.

In triplicate.

C:M

Serial No. 556. April 12, 1916.

SUBJECT: Political Conditions in South China.

To the Honorable

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to inform the Department that General Lung Chi Kwang declared the independence of Kwangtung Province on the evening of April 6th, following the joint representation made to him by the gentry and the commercial and educational communities of the province. There was no disturbance in Canton, but the announcement of the declaration of independence was celebrated by the discharge of innumerable firecrackers. The independence proclamations were posted all over the city. On the following day all the Chinese gunboats in the harbor and the various Government offices bore white flags stating: "General Lung declares the independence of Kwangtung".

The condition of affairs in Kwangtung Province at the present time is one of extreme uncertainty. Up to now Canton has been free from fighting or disturbance of any sort, but reports from the interior indicate that the conditions there

are

are very bad; in fact, they are reported to be worse than at any time during the first and second revolutions. This is particularly true of the North River region, along the line of the Canton-Hankow Railway. The entire country is infested with robbers, who call themselves "The People's Army" (護國軍). On the 7th instant, these bands of robbers drove away the railway guards and government troops from various places along the line, held up one of the trains, took the rifles and ammunition away from the train guards and also a certain sum of money, amounting to about $1,800. They are also reported to have taken possession of the Yamen of the Ying Tak Magistrate and either driven that functionary away or are holding him as a captive. In consequence of this, all traffic was suspended on the line for two days,- the 8th and 9th. On the 9th, a body of 300 government troops rode up and down the line, and on the 10th traffic was partially resumed. However, the railway officials are very pessimistic about conditions. They state that they can not make their men work under the conditions prevailing at present; that the line is unsafe for trains of any sort; that until the military give notice that permanent protection is established, they cannot be responsible for the safety of any part of the line. On the 11th, both the up and down passenger trains were robbed and there were skirmishes between the robbers and General Lung's troops at various places on the line.

In connection with the above, I have the honor to state that there is a mission station of the American Southern Baptist Mission located at Ying Tak, on the Canton-Hankow Railway. On the evening of the 9th, no trains having run on that day, I received a telegram from Dr. Beddoe of that Mission, asking me to arrange with the Governor for a special

train

train to convey all the missionaries at Ying Tak to Canton. I talked with General Lung personally over the telephone that evening, and he promised to do everything possible to have the missionaries brought safely to Canton. However, the next morning, as trains were running and the missionaries reported the conditions as somewhat better, they decided to wait until to-day before leaving Ying Tak.

Reports from missionaries in the Samshui district also indicate that robbers are extremely numerous in that region. Within the last ten days I have twice received requests from missionaries there to have the Governor send more troops for the protection of the missions from robbers and thieves.

General Lung Chi Kwang is now waiting for the arrival of Lu Jung Ting (陸榮廷) and Liang Chi Chao (梁啟超) from Kwangsi. A gunboat has been despatched from Canton to meet these officials, and they are due to arrive here very shortly. It is believed that upon their arrival General Lung will turn over charge to Lu, and that he will then leave Canton.

There are at the present time three parties in South China. The first consists of General Lung Chi Kwang and his followers. The second is an outgrowth of the Progressive Party (進步黨) and is composed of the better and more responsible element of the officials, the leaders of which are Lu Jung Ting and Liang Chi Chao, at present in Kwangsi, and Chen Ch'un Hsun (岑春煊), ex-Viceroy of the Liang Kwang, who is at present in Shanghai but is reported to be leaving for Canton very soon. It is reported that Mr. Chen has been nominated to be the generalissimo of the revolutionary forces, and Ch'u Ch'in (徐勤), formerly a member of the Imperial Party (保皇黨) and lately of the Progressive Party, will be the Commander-in-Chief of the Kwangtung National Defence

Army

Army (護國軍廣東總司令). Ch'u Ch'in arrived in Canton from Hongkong yesterday.

The third party may be called the extreme revolutionists party (革命黨) and is headed by Chun Cheung Ming (陳炯明), who was Tutu of Kwangtung at the time of the second revolution. The bands of revolutionary soldiers in the country, who are making the disturbances along the line of the Canton-Hankow Railway and in other places, are supposed to be followers of Chun Cheung Ming. He is believed to be at present in Hongkong. His representative in Canton at present is Wei Pang Ping (魏邦平), who arrived on the gunboat "Kiang Ta" (江大). He has acted as the representative of the revolutionists and has issued general notices informing the public not to entertain any alarm and promising complete protection. He has also addressed a telegram to the Consular Body stating that he is responsible for the safety and good order of Canton, and that the lives and property of foreigners will be protected.

It is rather a difficult matter to forecast in what way these three elements will combine, as the leaders of all three are anxious for position.

General Lung is reported to have borrowed a sum of $70,000, Hongkong currency, from the Canton-Samshui Railway for the purpose of paying his troops.

I have the honor to enclose herewith translation of General Lung Chi Kwang (龍濟光)'s Independence Proclamation; copy in translation of a circular addressed by General Lung to the various Consuls, and of speeches made by General Lung and former Civil Governor Chang Ming Chi (張鳴岐) at a meeting held at the former's office on April 9th.

A copy of this despatch is being sent to the American

Legation

Legation at Peking.

I ha ve the honor to be, Sir,

Your obedient servant,

C. R. Josselyn

Vice Consul in Charge.

Enclosures:

1. Translation of Independence Proclamation.
2. Translation of Circular Addressed to the various Consuls.
3. Translation of speeches of General Lung and former Civil Governor Chang Ming Chi.

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Enclosure No. 1. Despatch No. 556.

PROCLAMATION OF INDEPENDENCE.

The following proclamation was issued by His Excellency Lung Chi Kwang, Governor General of Kwangtung, on the evening of April 6, 1916:

"Notice is hereby given that, whereas a joint representation has been made by the gentry and the commercial and educational communities of Kwangtung to the effect that, owing to the repeated disasters which have occurred in Kwangtung Province during the past few years, local conditions are now in an extremely distressed state; that recently many provinces have taken part (in the revolt) against Yuan by declaring their independence; that as dangers are lurking everywhere in Kwangtung and that the province is liable to be devastated; that, with a view to protecting the lives and property of the people of the province, the various communities held a public meeting and jointly requested me, General Lung, to be the Tutu of Kwangtung, thus continuing my existing function of protecting the territory and upholding order; and that as this action is taken for the sake of maintaining democracy and is, therefore, a perfectly righteous movement, they ask me to comply with their request without hesitation;

And, whereas, inasmuch as the suggestions made in the above representation are very logical, as an official responsible for the protection of this territory, it is my paramount duty to maintain the peace. Accordingly, I have this day proclaimed independence and have so informed all the public organizations in the various parts of the province as well as all the civil and military officials, by telegraph.

It shall be my duty to see that both the civil and military

officials

officials afford protection to business men and others as well as to foreigners of all nationalities residing in this province, all of whom should continue to live and carry on their business and other pursuits without fear of being molested.

Should any outlaws, in the name of the revolutionary movement, take advantage of the situation to disturb the peace, they will be regarded as public enemies, and, in order to fulfill my duty to punish these ill-doers and protect law-abiding persons, I shall take rigid steps to have them arrested and severely punished.

It is to be hoped that every one will use their united and strenuous efforts to insure safety.

This is a special proclamation.

Enclosure No. 2. Despatch No. 556.

No. 1092. His Excellency Lung Chi Kwang, Tutu of Kwangtung, to Mr. Josselyn.

Canton, April 6, 1916.

DECLARATION OF INDEPENDENCE.

Sir:

I have the honor to state that, whereas earnest requests have repeatedly been made by the gentry, commercial and educational communities as well as other public organizations in Canton that this province be declared independent for the sake of averting the calamity of warfare, and maintaining peace; and whereas the above communities have jointly selected me to be the Tutu of Kwangtung for the purpose of upholding order, I, in order to preserve the peace of the province, cannot but comply with the request made by the various organizations and, consequently, have this day proclaimed independence.

For your information, I beg to state that I have duly issued instructions to both the civil and military authorities within my jurisdiction that due protection be afforded according to Treaties to all foreign merchants and missionaries residing in the various ports of this province. I shall be very much obliged by your conveying the above to the notice of all American merchants and other citizens residing in this province.

With compliments.

(Stamped) Tutu of Kwangtung.

Enclosure No. 3. Despatch No. 556.

MEETING HELD AT THE OFFICE OF THE TUTU OF KWANGTUNG ON THE AFTERNOON OF APRIL 9, 1916.

In response to an invitation extended by His Excellency Lung Chi Kwang, Tutu of Kwangtung, representatives of the gentry, the commercial, charitable, educational and press communities as well as delegates from the Self Government Reform Association and the Society for the Maintenance of Public Order, attended a reception at the Tutu's office on the afternoon of the 9th of April, 1916, for the purpose of discussing the methods to be taken at present in order to preserve order and to formulate a definite statement of the reasons which impelled the Province of Kwangtung to declare its independence.

At 3:20 the delegates assembled. Tutu Lung, addressing the meeting, stated that on account of the sudden declaration of independence, many of the necessary arrangements had not been attended to. He stated that one of the reasons why the declaration of independence could not be deferred was that the Peking Government proposed to send northern troops to Canton to assist in the defence of Kwangtung and it was to be feared that if action were not taken until the arrival of these troops it might be impossible to avoid a conflict resulting in the devastation of Kwangtung. Consequently, it was deemed prudent that the declaration of independence be made at once and, at the same time, telegrams sent to Peking, urging that northern troops be not sent to Kwangtung.

A second point he wished to have discussed was, what action should be taken with regard to the patriotic revolutionary soldiers now stationed in the various outlying districts of Canton, who were very anxious to come to Canton to offer their services.

services. He stated that, since independence had been declared, he felt that he could not, without assistance, look after all the necessary arrangements. These could be settled upon the arrival at Canton of Mr. Ch'en Ch'un Hsun, Mr. Liang Ch'i Chao, and Lu Jung Ting, but as these men had not yet arrived it was impossible to pass upon the question of the advisability of enlisting Republican soldiers to make an expedition against Yuan. It was necessary to obtain the opinion of the various communities and organizations at Canton as to whether the Republican soldiers stationed at various points in the province should be allowed to come to Canton for service at this time.

At the conclusion of General Lung's statement, the representatives of the gentry and commercial communities answered that, inasmuch as the existing army and police forces in Canton were sufficient to preserve order, there was no reason why the Republican soldiers should be called to Canton, and that circulars should be issued by the various organizations persuading them not to come in for the present. They requested General Lung to issue orders calling upon the Republican soldiers in the outlying districts to quietly await the arrival of Messrs. Chen, Liang and Lu, when arrangements would undoubtedly be made, and stating that it would not be necessary for the Republican soldiers to come to Canton. Nor should they compel the guards stationed in the various districts to surrender their arms to them.

In response to this, Tutu Lung stated that, since it was the opinion of the various organizations that these Republican soldiers should not come to Canton, it should be the duty of the officials to issue orders to prevent their coming. He stated that the interests of the province had compelled the declaration

of

of independence and that no consideration was ever given to the interests of private individuals. Although many of the officials were natives of other provinces, nevertheless, they did not desire to see the devastation of Kwangtung, and he stated his belief that the Cantonese present at the meeting had a strong desire to see Canton properly safeguarded. Continuing, he called the attention of those present to the case of Yunnan. Good order had been preserved in that province after it had declared its independence and the same conditions obtained in the Province of Kweichow, which had also declared itself independent. These provinces were very remote and the people doubtless were not fully informed of everything that had taken place there, but the case of Kwangsi was different. There was no alarm at all following its declaration of independence, and business continued as usual,- a fact well known to all. He expressed his belief that, since conditions in Yunnan, Kweichow and Kwangsi were satisfactory, Kwangtung would also enjoy the same good fortune and peace would continue as usual. If the declaration of independence of Kwangtung resulted in the devastation of the province, it would not only cause suffering to the Cantonese, but would bring disappointment to the people in the southern provinces, who were enthusiastically supporting democracy. The speaker then introduced to those present the representative delegated by Tutu Tang, of Yunnan.

Chang Ming Chi then addressed the meeting. He stated that there were three reasons which caused Kwangtung to declare its independence:

First, upon Yuan Shi Kai's accepting a monarchical policy, he forfeited his status as President of China, and although since the revolt of Yunnan and Kweichow Provinces he has abandoned the monarchical policy, yet he has lost much of his

prestige.

prestige. Accordingly, it would seem that our country is without a leader, pending the election of a president according to a prescribed form. Until Yuan retires from Office, controversies cannot be avoided between the southern and northern sections, and, candidly, speaking, in order to maintain the Republican form of government, it is essential that assistance be given to the southern armies which at present consist of forces from the provinces of Yunnan, Kweichow and Kwangsi. These provinces are poorly developed and lack facilities of communication. They can hardly expect to cope with Yuan successfully. On the other hand, Kwangtung is a well-developed and progressive province -- the most important in South China, and inasmuch as it has declared its independence and joined with the other three provinces, we are now in a position to organize a government in opposition to Yuan. The reason why the coast provinces have not ventured to cooperate with the southern armies is because the influence of Yunnan is limited, and it was difficult to predict whether or not this province would be successful. Now, however, as the two Kwangs have been added to the list of independent provinces, their combined influence will be very strong. They can at pleasure assume either the aggressive or defensive, and, in consequence, many other provinces will doubtless join in the movement, one after another, and it may not be necessary to resort to arms. Yuan will lose his influence and cannot but retire and allow us to reorganize the democracy without the least waste of energy. Even assuming that a few of the northern provinces will remain loyal to Yuan Shi Kai, which is contrary to our expectations, nevertheless, the act of Kwangtung, Kwangsi, Yunnan and Kweichow in opposing him will induce the neighboring provinces to fall in line, which will enable us to form a real republican

country

country in South China, which will be sufficiently strong to defend itself successfully.

Secondly, since the revolt in South China took place, all sorts of rumors have been in circulation in Kwangtung Province, and all the people are enthusiastically united against Yuan. In the event that northern armies are sent to Canton, misunderstandings are bound to arise, resulting in serious trouble. Consequently, unless the declaration of independence had taken place when it did, these rumors could not have been hushed up and the minds of the people quieted. Perhaps some of you may think that the northern troops will come to attack Canton and thus cause devastation. This belief is unwarranted inasmuch as Yuan, when he appealed to the various provinces to settle their grievances, declared that no northern soldiers would be permitted to visit any of the independent provinces, and, consequently, after the declaration of independence no northern troops can possibly come.

Lastly, Kwangtung is rich in transportation facilities and other resources, and her strategical position is excellent. The fact of her having joined with the Provinces of Yunnan, Kweichow and Kwangsi to organize a republican government, means that the center of administration will undoubtedly be located in Kwangtung in order to take advantage of these resources. Had Canton not declared independence, the province would certainly have been devastated and could not have become the center of the new government.

The act of declaring independence was done for the sake of protecting Kwangtung and the integrity of the new government.

No. 45

AMERICAN CONSULAR SERVICE,

Changsha, China, May 9, 1916.

Subject: Political Conditions in Hunan.

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sir:

Sub
Recd. MAY 17 1916
Ack.
Ans. MAY 12 1916
Ref.
Attn.

800

I have the honor to report that conditions in this district continue in the same uncertain state described in my despatches Nos. 43 and 44 of the 4th and 5th instants. On the 7th instant I called informally, accompanied by Lieutenant H. Delano of the "Palos", on Vice Admiral Tang Hsien-ming, Military Governor and acting-Civil Governor of Hunan. Governor Tang assured us that he was confident that whatever happened he could preserve the peace and good order of the city of Changsha with the forces now at his command. He admitted that there was considerable danger of outbreaks at various places in the province in view of the fact that there were numbers among the gentry who were insisting upon the resignation of the President. He stated several times, however, that this was a question which did not concern him, that he was intent upon performing his duty, i.e. preserve the peace of the Province at all costs, to the best of his ability. He remarked upon the fact that all of the civil officials had fled away under one pretext or another leaving him to bear these burdens alone.

The Governor stated that it was true that he and former Civil Governor Shen had approved of the proposition

of

of allowing Kuo Pao-sheng (郭葆生) to recruit troops. There had been some danger from the 300,000 odd miners in the mining district between Hsin Hua and An Hua and it was originally intended that these men should assist in protecting that district.

It is a fact that there is considerable recruiting going on and the barracks here at Changsha are full of new troops being drilled. The former Vice-Military Governor has been placed in charge of about a thousand of these men and is engaged in drilling them at Hsin Ho Creek about three miles north of the city.

The Military Governor informed me that the uprising at Paoching (寶慶) had been a local one, that the trouble at Hsiang Hsiang (湘鄉) between Paoching and Siangtan centered around a successful theft of some guns and ammunition from the water police at that place. But he stated that peace and quiet had been restored at both places. He informed me that part of the troops under General Ni Liu-fen now at Hengchow had come down river to Siangtan.

Captain Delano had learned while in Yochow about the middle of April that Ni Shih-ts'ung (倪嗣冲) former Military Governor of Anhui was expected in Yochow with some ten thousand troops. It was reported in Yochow that he would be stationed in Hsiang Yin (湘陰) a district city between Changsha and Yochow on the river. The Military Governor stated that this was true, that about three thousand of Ni's troops had actually arrived bound for Hsiangyin but that he had telegraphed and had had them turn back to Yochow where they now were as Hsiang Yin was not a place to station troops.

It is commonly reported at Changsha that the Mili-

military

Military Governor has been endeavoring to get the Central Government to withdraw the forces of General Ni Liu-fen from the Province. The statement that part of General Ni's troops had come down river to Siangtan leads one to believe that this end might be accomplished. I am in receipt of a letter from Mr. Crabb at Hengchow stating that it is being rumored there that the northern soldiers will leave Hengchow for down river and they are somewhat uneasy over the prospect as it is feared that the robber element may get the upper hand during the interval between the departure of the northern soldiers and the arrival of troops from the south.

On the 9th instant I called on the Commissioner of Police, a very efficient Hunanese, much respected in Changsha. He stated that he did not think that there was any danger of trouble at Changsha. I asked him about the explosion which occurred on the 1st instant and he said that the Government was getting rid of large quantities of black powder which had been stored in the magazines for many years and for which there was now little use. He stated that the merchants were buying up this powder and extracting the saltpetre. It was his opinion that it was some of this powder that had exploded in the private saltpetre works outside of the North Gate of the city.

In conversation with the Manager of the Bank of Communications which I had yesterday I found the Manager considerably disturbed over the situation. He said that conditions were very strained and that there was a possibility of trouble. He stated that some three days ago the revolutionists and the Police wanted to declare the independence of the Pro-

vince

Province and had called upon the Military Governor to join them. The Military Governor and Kuo Pao-sheng (郭葆生) however, had convinced them that the time for declaring the independence of the Province had not yet arrived. They then, according the Manager, agreed to wait until the arrival of the forces which were coming, so they said, from Kuangsi which would take, according to the would-be independents about fifteen days. It was claimed that the revolutionaries had about ten thousand in the city disguised and plenty of bombs and that they would not wait very long.

There is no doubt but that the local gentry have been pretty nervous over the situation. In a conversation which I had with Dr. Hume, who sees a great deal of the gentry both professionally and socially, last Saturday Dr. Hume stated that the minds of the gentry were considerably disturbed and that they were again agitating the question of preparing for protection of the women of the city by providing for refuges. Dr Hume stated, and his statement was confirmed later by one of the teachers in the medical school, that the gentry distinguished five contentious parties in the city, namely, the Military Governor, the Northern troops, Kuo Paosheng (郭葆生), the revolutionists, and the robber element. It was stated that the Military Governor and Kuo Pao-sheng were in disagreement over the refusal of the Military Governor to provide Kuo's new troops with machine guns. Wang I-hsü (汪毅書), a very weal known member of the Changsha Gentry and one time Customs Superintendent is said to be Kuo Pao-sheng's spansor when the Military Governor approved of the scheme for his enlistment of troops and Dr. Hume informed me that Wang I-hsü

was

was busy trying to patch matters up between the Military Governor and Kuo.

The Legation will see from the above how difficult itmis to form any accurate conslusion as to what eventualities in Hunan will be. There is no dohbt that conditions are very much unsettled. Robber bands made bold by the preoccupation of the provincial authorities and the military are taking advantage of the situation to make trouble at places in the interior of the Province. Thus there have been isolated uprisings, at Yung Ting (永定), Ping Chiang (江平), Paoching, (寶慶) Paoching (保靖), Hsiang Hsiang (湘鄉), Lin Hsiang (寧臨湘) and Yung Chow (永州). This latter place has declared its independence, at the instigation of the Military Governor if one is to believe the statements of the Changsha gentry.

I have the honor to be, Sir,

Your obedient servant,

Helen Tuales Johnson

American Consul.

800
J.

Confidential

No. 50

AMERICAN CONSULAR SERVICE,

Changsha, China, May 30, 1916.

T. Dept JUN 14 1916

Subject: Independence of Hunan.

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sub.
Read JUN 5 - 1916
Ack.
Ans. 800
Ref.
Ans.

Sir:

I have the honor to enclose herewith a translation (with Chinese text attached) of the proclamation which appeared on the streets of the city yesterday morning (29th instant). I understand that the independence of the city was formally proclaimed by the Military Governor at a banquet given at his Yamen at noon yesterday. However these proclamations were being posted by ten o'clock in the morning.

Last week Captain King of the U. S. S. "Samar" and I had made an appointment with Military Governor T'ang as Captain King desired to pay his respects he having but lately arrived to relieve the U. S. S. "Palos". The appointment was fixed on Sunday for 11 a.m. the 29th instant. I was somwhat surprised Monday morning to find that the town was celebrating the proclamation of independence by a great display of flags in the streets. I was informed by the Aide of the Military Governor that the independence of the Province would not be declared until noon so Captain King and I decided to make the appointed call an informal one.

We found Governor TJang dressed in ordinary Chinese dress. He had discarded the uniform of a Vice Admiral which he usually wore. He gave us to understand that the proclamation of independence was unavoidable as it was necessary in order that the continued peace of the province might be maintained. He stated that he believed that the Province would settle

settle down and that quiet would prevail every where.

The Yamen of the Military Governor was filled with troops. The Flags over the entrance to the Yamen had a legend pasted on them to the effect that they belonged to the Army for the Protection of the Government.

Quiet reigns throughout the city. Every one seems relieved that the tension of the past month is over. Northern troops are being allowed to leave the Province without hindrance. A letter has reached me to-day from Hengchow stating that Kuangsi troops came to that city shortly after the Northern soldiers under General Ni Left. My informant Mr. Crabb states that some of these Kuangsi troops have left Hengchow for down-river ports and he believe that they will follow the northern soldiers down until they reach Changsha. The Military Governor informed me that he had about ten thousand troops here at Changsha made up of northern and Hunan men. The northern men had been with him for some time and he stated that they could be trusted. It is reported that at the banquet at which the independence of the Province was formally declared the Military Governor declared that he wanted to go north against the enemies of the south at the head of the Hunan forces.

The affair of Kuo Pao-sheng was settled up or compromised so that Kuo left Changsha last Saturday evening (27th) for Hankow and down river. His destination is believed to be Japan. I met the Japanese Consul at a tiffin party at the Commissioner for Foreign Affairs's office on Sunday the 28th instant. He seemed to be considerably wrought up over the treatment which had been given Kuo by Tang the Military Governor. He stated to me that Tang's actions in this matter convinced him that Political ambition would move a man to do anything, even to betray his friends. He stated that Tang, Kuo and the Prominent Hunan Gentryman Wang Yi-shu (汪貽書) had been friends,

friends, that Kuo had helped Tang to get rid of General Ni Shih-tsung of Anhuei when the latter was about to come to Hunan to take Tang's place as Military Governor. It was apparently the belief of the Japanese Consul that the strife between the Military Governor and Kuo was for leadership. It appears that Kuo Pao-sheng escaped from his house in the city disguised as a coolie and made his out of the city through the soldiers to the Japanese Consulate. The Japanese firm of Mitsui and Company alleged that the property of Kuo had been mortgaged to them and immediately posted notices of ownership on all of Kuo's property in the city. They also filed a claim with the Military Governor. The matter was compromised in some way and Kuo was allowed to leave the city.

The three Chinese naval vessels which have been stationed here at Changsha for some considerable time left early in the morning of the 27th instant. They are reported to have gone down to Cheng Ling Chi at Yochow. They doubtless went away from the port owing to the possibility of an early declaration of independence.

I have been somewhat puzzled by the receipt of a telegram from the Consulate-General at Hankow of which the following is a paraphrase.

"The Canton Hankow railway has received a telegram stating that the Military Governor at Changsha declared the independence of the Province this morning (29th). General Tinge called to suggest advisability of re-enforcing the gunboat at Changsha for the protection of and possible rescue of foreigners."

Conditions here at Changsha have been perfectly quiet thus far and every one seems to greet the move of the Military Governor with a feeling of relief. I think that it is generally admitted that his presence here is necessary

to

to the preservation of peace and good order. He appears to have the full confidence of the troops under his command and should he leave there can be no doubt but that strife will break out among the numerous political parties who have already organized themselves. The presence of the radical element was revealed yesterday (29th) when a bomb exploded prematurely in the hands of some young men gathered in the upstairs floor of premises occupied by a Japanese firm just outside the city. As a result three Chinese were killed and three or more taken to the Red Cross hospital badly wounded. The building was badly wrecked and burned, the event causing a good deal of excitement coming especially as it did immediately after the posting of the proclamation of independence. The fire department of the city was on the scene in short order, however, and the flames did not spread. The Police and military soon cleared the crowds away and the population in the immediate vicinity of the explosion soon settled down again. During the night the streets were heavily patroled and quiet reigned.

It is true that the Province has been a in very unsettled state for some considerable time. Local bandits have risen in large numbers and have terrorized large districts. Throughout it all, however, there has been no evident danger to foreigners and I have not considered it necessary to ask foreigners to leave the Province. Many Americans are now leaving the Province for Kuling. I shall now try to find out who and how many are left in the Province for the Summer as I understand some intend to spend the summer near their stations. Captain King is coming to discuss the situation with me this afternoon and we will then decide what kind of a wire to send to Hankow and to the Legation. For the present quiet seems to be guaranteed and there does

not

not appear to be any reason to believe that foreigners will be threatened.

On the 20th and 21st instants, as reported in my despatch No 48 of the 24th instant, the rumor spread about among the gentry of the city that large sums of money were being advanced to the Chinese Government which money would be used by the Peking authorities to carry on the struggle against the South. There was no doubt that the gentry had been stirred up but I found it very difficult (up to present impossible) to discover the actual source of the rumor. It was said that the text of a telegram emanating from Japanese sources was mimeographed and sent about among the gentry. But I have not been able to get hold of a copy of this sheet. Dr. Hume of the Yale Mission, who first brought the matter to my attention, informed me that a friend of his and member of the Changsha gentry had stated to him that the information came from the Japanese consulate which he said was the headquarters for the Ko Ming Tang. I could not learn whether the mimeogrpphing had been done with the cognizance of the Japanese consul or not. Dr, Hume's friend said that he had gone to the Japanese Consulate and had asked for a copy of the sheet containing the telegram but had been refused. He secured, however, a copy of a Japanese newspaper published at Hankow which contained a telegram from which he said the information was taken. This newspaper was forwarded to the Legation with my despatch of the 25th instant No. 49. Up to the present time I have been unable to get a copy of the mimeographed sheet. Upon receipt of the Legation's telegram on the 27th instant I informed Dr. Hume that I was in a position to deny absolutely that any American funds were being used to finance military expeditions

against

against the South. The authorities here denied having any knowledge of such a telegram as was reported to have been circulated on the 20th and 21st.

With regard to the independence of the Province I have the honor to state that I have not as yet been officilly notified of its accomplishment. Those concerned are apparently having some difficulty in choosing officers to fill the various departments of the local provincial Government.

I have the honor to be, Sir,

Your obedient servamt,

Helen Ainsley Johnson

American Consul.

800
J.
Enclosure as stated.

This despatch in triplicate.

Translation.

Subject: Proclamation issued by Tutuh T'ang of Hunnan of the Chinese Republic.

In the matter of the Proclamation.

The times have reached, in my opinion, a crucial stage, and today we separate ourselves from the Yuan Government and proclaim independence. Considerable time has passed since I came to Hunnan and I have not been able to meet in all ways the hopes of the fathers and elders of Hunnan. But matters were difficult to accomplish and therefore I had to leave the direct path in attempting to arrive at the goal. My strength was not equal to my will. I have borne with patience criticism; in spite of all obstructions I have fortunately come to this present day. And now I can accomplish my aims and cordially shake the hands of the common people. My heart is satisfied and I know that the fathers and elders of Hunan are at one with me in their minds. We are all of a single mind and desire for good with those who hold official positions, soldiers, scholars, and gentry of North and South. This is the result of the strength of the many. Our hope today is that there will be a proper harmony, and a proper harmony rests on the ge acquisition of the proper rights of the people. The hope of the people of Hunan is that the country will enjoy peace at an early date. Hoping that the country will enjoy peace an early peace, we must first have peace and order within the borders of our Province of Hunan. Therefore with our whole strength we must endeavor to determine the necessities of the nation, but first of all the condition of the interior part of the country must be considered. Therefore we have now prepared and do herewith set forth certain

necessary

necessary prohibitions and instructions in order that the peace and good order of the people may be protected and promoted.

(1) All of the officers, both military and civil, now functioning within the capital city or outside in the provinces, shall retain their posts and attend to their duties as usual, and not rashly leave them. If they disobey, they will be dealt with in accordance with the law.

(2) Those circuits and districts within the provinces which have already declared their independence but have not received the recognition of this office, shall obey the commands of this office and await investigations. They may not act in a licensed way and carry out their own desires unauthorized. If they disobey they will be dealt with in accordance with military law.

(3) The laws applicable shall be the laws of the Republic. Those laws which were promulgated after the establishment of the Monarchy which are repugnant to a republican form of government shall not be deemed in force.

(4) No one, no matter who he is nor where, may collect funds for enlisting troops without the authorization of this office. Those who offend shall be seized and severely dealt with by the civil and military authorities of the locality concerned.

(5) All foreigners shall be especially protected in their lives and property as before. This includes chapels, residences and travelling merchants. The responsibility for affording this protection rests with the civil and military officials or garrisons and police of the various localities concerned.

concerned. If they fail in carrying this injunction out and complications arise, they will be severely dealt with.

(6) With regard to funds expended by the various offices of the Government, these moneys, with the exception of special payments which have been reported to and authorised by this office, shall all be paid out in accordance with the previously arranged budgets, and there may be no laxity of expenditure. Offenders will be forced to repay moneys illegally paid out and will be punished in addition.

In respect to the military establishments throughout the province, if there is occasion for any special expenditure, then a detailed report shall be made to this office in order that authorisation may be given. No matter what k the man may be, he may not proceed to any money-receiving office or bank or treasury and on his own initiative secure funds. The funds-collecting office, bank or treasury shall not pay out to such. Offenders against this prohibition will be dealt with in accordance with the circumstances.

(7) All notes now on the market which have been issued by the various banks shall be deemed in circulation and shall be received with confidence. There shall be no forcing of exchange prices or discounts. No person, no matter who he be, may privately issue bank notes. Offences shall be investigated at the time by the local civil or military authorities concerned, garrisons or police, and the offenders dealt with.

(8) If any of the bandits in the name of the good cause collect people and arms and force their will upon the officials or satisfy their harbored malice against others, or cheat, or extort money, or force pawn shops to receive in

pawn,

guns, or force others to sell their wares, stir up trouble and disturb the peace, they shall be seized and severely dealt with by the local military and police. If any of these resist, they should be killed without further ado.

(9) Szechuen and Shensi have now declared their independence. Shantung and Shansi are about to follow suit. The common people and the soldiers of North and South all desire to protect and maintain harmony. There is no desire for secession. If there are those who desire to cut off and separate into boundaries and thereto start rumors and stir up the hearts and minds of the people, they will be severely dealt with in accordance with military law.

These prohibitions covered by the above sections are necessary for the protection of the local peace, and the civilian population and the military population of the whole province must conform thereto in order that the dwellings of the people may be peaceful and their lives remain undisturbed. The administration of the affairs of the province will therefore be properly taken care of, and then the strength of the province of Hunan can go forth to cope with the difficult affairs of the nation; and then we can follow those provinces who commenced this righteous movement to bring to the punishment of the law those who have offended, and peace will be brought to the entire country. This is the reputation of k the people of Hunan. The people should follow their own occupations and should not lend their ears to idle rumors, lest they find themselves caught in calamity. The local military and xx civil authorities should obediently and carefully carry out the above prohibitions with the greatest of zeal. They should carry on their duties with equal zeal. I have carried

on,

on, in spite of hostilities, to the present time. Whatever happens, my greatest care will be the people. I have no desire for fame or power, or to begin trouble, but if there are those who purposely offend against these prohibitions and damage and danger arise and public peace is disturbed, we will use the full force of the law to deal with them. Let everyone carefully note this. This is a necessary proclamation.

Dated 5th month and 5th year of the Republic.



L. No. 267.

To Dept JUN 14 1916

AMERICAN CONSULATE GENERAL,

Hankow, China, June 7, 1916.

Subject: Political Conditions - Death of President Yuan Shih Kai.

Honorable Paul S. Reinsch,

American Minister,

Peking, China.

Sir:

Sub.
Recd. JUN 10 1916
Ack.
Ans. 800 / 800.1
Ref.
Ans.

I have the honor to report that this Consulate General was informed by the International Banking Corporation about 3.30 yesterday afternoon that this Bank had received a telegram announcing the death of President Yuan Shih Kai.

Late last night the British Consul General, Belgian Consul General, French Consul and perhaps other consular officers received telegrams to the same effect from their respective Legations at Peking.

It was assumed the above information was correct until this morning when through the Superintendent of Customs
1/ the enclosed was received. It would seem, therefore, the Chinese authorities denied the statement, while foreign authorities accepted the death of the President as a fact.

The custom in China is not known, but elsewhere upon official intimation of the death of the first official of the country the flag over the consulate

would

would have been lowered to half mast, but since none of my colleagues did so and inasmuch as the Chinese officials appeared to deny the rumor, nothing of the usual formalities has been done by this office.

I have the honor to be,

Sir,

Your obedient servant,

Edwin S. Cunningham
Consul General.

Enclosure:

Copy of telegram from Peking, dated June 6, 1916.

In triplicate.

800.

C:M

No. 67

American Consular Service,

Changsha, China, July 26,1916.

File. To Dept SEP - 5 1916

Subject: Political Conditions in Hunan,
Opening of Provincial Assembly.

Sub.
Recd. JUL 31 1916
Ack.
Ans.
Ref.
Ans.

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sir:

With reference to my despatch of the 21st instant I have the honor to forward herewith a copy of translation of the newspaper account of the proceedings which took place at the opening of the Hunan Provincial Assembly. 800 I am informed that the Provincial Assembly has asked the Central Government to confirm the appointment of Lung Chang (龍 璋) as Civil Governor of the Province. It appears that he had not been confirmed as stated in my despatch above referred to (No. 65). It is stated that the Central Government has consented to this and that the Presidential decree will be issued shortly. It is also stated here that Messrs T'an Yen-k'ai and Huang Hsing, referred to in my despatch No. 65 have consented to come to Hunan and the presumption is that they will be given the posts of Military and Civil governors.

On the 23rd instant Mr. Sun Tao-jen, a native of Hunan, former Military Governor of Fukien and now connected with the office of the President, arrived in Changsha. He called upon me on the 24th instant and informed me that he had come to Changsha for the purpose

of

of making a personal report concerning conditions in Hunan to the President. He mentioned the large number of candidates whose names were being mentioned for the posts of Military and Civil Governor and stated that his own name had been mentioned for the position of Military Governor. He commented upon the difficulties presented by the large number of unorganized soldiery and stated that it would be the policy to disband a great many of them as there were not funds enough to maintain such a large army. He stated that he had refused to allow them to consider him as a possible candidate for the office of Military Governor as he had too many friends at Changsha and in the Province and he did not care to jeopardize these friendships and family standing by entering office at this time in his own province. Mr. Sun Tao-jen (孫道仁) has left Changsha for a visit in the country districts to the East of the city where his native hame is. He stated that he would return in about a week and then start for Peking where he would make his report.

I am informed that the Northern troops which have been concentrated at Changteh are being withdrawn gradually and it is believed that all of them will have left the Province shortly.

I have the honor to be, Sir,

Your obedient servant,

Nelson Trusler Johnson

American Consul.

800/J Despatch in triplicate.
Enclosure as stated.

Translation.

From the HUNAN KUNG PAO July 21st, 1916.

An Account of the Opening of the Provincial Assembly.

Yesterday was the day fixed for the opening of the Provincial Assembly of Hunan, and Military Governor Liu and Civil Governor Lung, accompanied by the various Departments of the military and civil government, all attended at the Assembly rooms. The number of spectators was very large, and representatives of the women's interests were also present as spectators; besides these, there were present the Japanese Consul, the Postal Commissioner and other foreign guests. At 11 o'clock the bell was run for the opening of the Assembly. The band struck up. The secretary of the Assembly led the Military and Civil Governors, the Generals, and the various officials both law and administrative in through the eastern entrance. The President of the Assembly, accompanied by the various members of the Assembly, entered from the west, and all sought their several seats. The spectators and guests were also shown seats. The Military and Civil Governors, the Generals and the various officials and the members of the Assembly all arose and made three obeisances in the direction of the national flag and then bowed to each other. By this time the music had ceased. A profound quiet prevailed and then the President of the Assembly, Pan Chao Huang, arose and made a statement concerning the opening of the Assembly. He stated:

"We are now making a provisional opening of the Assembly. Since our Assembly was illegally disbanded I have looked about and have seen that the countryside has been thrown into great turmoil and danger. I was unable to stand aside and look upon these conditions, as a spectator. Military Governor T'ang was here and maintained government with a single hand, and we despatched a man to consult with Military Governor L[illegible] as to the best means of action and we also sent to Shanghai to consult with

Hunanese

Hunanese at that place. Our goal has now been reached. T'ang has gone of his own accord and the Hunan Provincial authorities have rendered every assistance to support and open the Assembly. The greater part of the Assemblymen have now collected and from today the provisional Provincial Assembly will meet regularly. The discussions will concern themselves with the more important affairs which will have to be dealt with. We wish to take up the question of the military and secure uniformity. We wish to do away with imperfections in the administration of the law, and to influence and perfect the administrative branch of the Government. We will have to devise means of reviving the financial conditions and it is very important that measures be taken at an early date to regulate and encourage education and industries. Our great and single aim is to further progress in domestic matters and to encourage harmony of action with regard to outside affairs. When this aim is kept in mind, the will of the people will be complied with, and the difficulties and sorrows of the people will be done away with. Every effort should be made to fulfill the desires of the fathers, elders and brothers."

Later, the representative of the Military Governor read on his behalf his message, saying:

"The three branches of Government should be separated in order that harmonious union can be made manifest. The Assembly is one of the three branches of Government. Here is evidenced the will of the people. The one-man-power theory of government has prevailed in China for several thousands of years and it will take some considerable time to build up a preper democracy. The national parliament will be constructed as well as the provincial legislatures. Yuan usurped power and committed many wrongful acts. He sought personal power and changed the constitution which had already been drawn up. He limited the liberties of the people. He also placed obstacles to free speech on the part of the people. He disbanded the national assembly, and the provincial assemblies were also disbanded, with the result that the Southern borders have taken the field, and Hunan participated in this movement. The original culprit has been punished by Heaven and harmony must now be encouraged anew. Now we must secure the establishment of an unassailable mouth-piece of the will of the people. Now those who were elected formerly by the people of Hunan have gathered again into an Assembly. It is our sincere hope that from now on there will be a singleness of purpose manifested, that the representatives will furnish a true expression of the will of the people, and that they will engage themselves with proper and correct programs. Thus the rights of the people will be strengthened and the national laws placed on a firmer foundation. It will follow then that the people's government will become a permanent thing and the Provincial Assembly will also become a permanent institution."

After the reading of the above, the Military Governor came forth himself upon the rostrum and made the following speech:

"The real meaning of harmony is as follows. What the people

the people desire, the Government will desire, and what the people will not desire the Government will not desire. The evil due to the one-man-power principle which had existed in China was never so oppressive as during the former Ch'ing Dynasty. Therefore it was necessary for a revolution to come along to wipe out and save the situation. Yuan resurrected the idea of a monarchical form of government. T'ang followed his instructions and coerced the people's will. The sufferings of Hunan have been similar to those caused by calamities of fire or water.

"With regard to the question of finance, if we compare the state of the province with that which existed under the Manchu regime, we find that we exceed the indebtedness of that time by 30,000,000. Fortunately T'ang has gone and the proper vehicle for the expression of the will of the people has been completed. If there is a singleness of purpose and a conjunction of action, change will be accomplished with the passage of time. It is my earnest hope that a steady progress will be the result securing a supervision over the executive departments of the government and at the same time assisting the executive department of the government in order that the tremendous amount of work that must be done may be accomplished."

Thereupon the representative of the Civil Governor arose and read his message.

"The multitude of the people have rights and privileges for the enjoyment of which they are willing to make personal sacrifices. But in order that the struggle may have a fixed goal, suitable and proper ideals are conceived. Wherefore the people flourish and the nation is made strong. It is said that the devil gave currency to false sayings, advising the people to be moderate and to cease striving and to render allegiance to a single authority (monarchy), thus extinguishing public opinion, thus doing away with all sanction and the establishment of right or wrong; and sycophancy and servility resulted, with the total disappearance of the spirit of the people. The foundations of the nation become uncertain and the monarchical spirit comes to life. The obstructed flood, seeking a level, overflows and carries away the robbers of the people. Life and blood are risked and the wolves and tigers disappear, leaving no trail, and there is an end to their evil. Opposition originating without ceases and dissentions within spring up. This man urges his abilities; that one his ideas and suggestions. But unless the opinions are held by the multitude, the will of the people cannot spread. There are no two opinions expressed alike; it is impossible to disentangle the threads. With so many views and so much discussion nothing can be accomplished. It is necessary that a few representatives be gathered together who can arrange affairs in an orderly and legal manner, using the smallest amount of machinery and time in order to discover the real will of the people.

"Now, Hunan may be compared to a sovereign nation, independent for purposes of government, not to boast of its rights. Although the constitution has been revived, the National Assembly has not been opened as yet. Government must be

must be suited to the times and the abilities of the people, for during times of disturbance military power must be used, and during times of established government, reason and civil powers must be utilized. Now the provincial Assemblymen are the representatives of the people of Hunan. They have plenary powers. They have been called in accordance with law. They will discuss and settle and they will disentangle one thread from another. They will be an expression of the will of the people. There is a glow on the peak of Mt. Heng (the southern peak) and the ebb and the flow of the waters of Hunan. Fortune smiles and the times are auspicious. All will now work together in harmony."

When the above had been read to the Assembly, then Mr. Lung took his place upon the rostrum. He said:

"I am a man of small talents and it is presumptious for me to think that I can oppose my small abilities and my small strength against the great devil of monarchism, so that for four years I have been unable to return to my native heath. Today, however, I myself at least see the sun, and with the fathers and elders and my brothers have joined in discussion. I feel that these are indeed very auspicious circumstances. But during these four years I have undergone much suffering and I dare to come and say to the elders and my brothers some things which may not be pleasant to hear. I have not suffered because of the deeds of my own family. It has been because of the usurpation of power by Yuan. His acts and his proposals were all opposed to harmony. He strove for his own private and selfish interests, and he was ready to sacrifice the lives and property of my 400,000,000 brothers and the sovereign land of the people's nation to attain his ends. And therefore forgetful of my lack of ability, I struggled to consider means of opposing him on behalf of my 400,000,000 brothers. The sufferings which I underwent would later descend upon the bodies of the elders and my brothers, and I rejoiced to bear these sufferings before the elders and brothers and thought not of my age or lack of strength. And besides, I have been able to preserve myself from death in order that today I may face the elders and my brothers and discuss these matters. The result has been that the longer I remained away the greater suffering did the elders and my brothers have to bear. From the day that Yuan appointed T'ang Hsien Ming to come and poison Hunan, there was no undertaking in which he did not carry out the wicked schemes of his master. He killed without trial; he collected taxes without regard to the law; his servants and his officers were robbers and thieves; his soldiers were all tigers and wolves. The favors and privileges were all given to others. The posts were becoming hereditary. His enemies increased until they were to be numbered as the hairs of the head. His crimes piled up like mountains and there was no place where we could go and proclaim the sufferings of the elders and brothers. Later, Heaven took his soul.

"His ambition was to make the nation his house and become an Emperor and he precipitated my brothers and fellow-thinkers into the deepest water and hottest fire, until we could bear it no longer. Then it was that Yunnan raised the righteous banner and our province of Hunan thought

to follow

to follow suit, offering opposition with their lives. They were backed up by the opinions and speeches of the elders and brothers. Yuan died and T'ang went away. The constitution was revived, the National Assembly called to meet, and the rights of the public became paramount. Our province can now wash away the blemishes and become clean. This is greeted with pleasure by myself and by the elders and my brothers. The desires of my heart have been fulfilled. But the goal of harmony and federated government cannot be reached without expenditure of effort. A strong foundation must first be built before the building can be commenced or completed. What is the foundation? It is the complete capacity for self-government. Of all the countries in the world, the people of England and America have the greatest capacity for government, and both England and America have great capacity for self-government. Now, although our country has convened the National Assembly, still there have not been many benefits from many self-governing organizations. It is therefore to be feared that the power of the National Assembly will be somewhat weak. Those provinces which have not declared their independence x still maintain the old government machinery. With such conditions existing and until the National Assembly has changed and reformed the Cabinet, there is much danger that results will be difficult of accomplishment. As to those provinces which have declared their independence, there has been nothing to hinder the provincial assemblies from exerting their strength as self-governing organizations and accomplishing the return of the original spirit of harmonious action. A vast number of matters affecting the administration which cannot be dealt with by the administrative departments of the Government can be taken up and settled by the Assembly, thus lessening the confusion in the Provincial Government and at the same time fostering close and intimate relations between the administrative officers and the people. The affairs of the Government will move more quickly and administrative functions will run along proper routine lines. Dangerous methods of settling matters will be done away with and a general state of safety and security will be given to government conditions. The saber and the gun will give way to the pen and the spoken word. This is the goal for which I have undergone a great number of years of trouble and sorrow. The reformation of administrative methods is the great need of the time, and I look to the Assembly for the accomplishment of this purpose, and welcome them. Now at this time T'ang has left us and I have been improperly chosen. I have been coerced by the suffrages of the people and public bodies to take up office and take charge of the x Civil administration of the province, but I have come to the point in life where little more remains to me. Fortune has favored me and I have been enabled to live to see this day and to return to my native province. It is my desire to spend the rest of my days in the woods and gardens, where I might pass the days unknown. My abilities are of the meanest and I am unable to bear up under the responsibilities which have been thrust upon me. The time of my appointment was the time immediately following the great revival and it was necessary that I listen to the will of the people as it was necessary that all join in to assist in government. Now the hearts of the people are fixed in a sense and I should retire and make way for ability, in order that the future may be filled with success. You

are

are the spokesmen of the people of my province of Hunan and I must notify you to examine into my meaning and separately elect some other and capable person, in order that the welfare of the whole may be furthered. This is the proper and auspicious way.

"I have been in office but a few days and I believe that if the government of Hunan is put on a firm basis, the progress will be rapid. A careful attention should be paid to ability when choosing public servants; no favoritism should be shown. Political convictions should not be considered, nor should a difference be made between persons of different parts of the province. A proper and well-considered method should be chosen and each man give his utmost effort in the work for which he is fitted. Capable men should not remain away when called to office and those lacking in ability should not struggle to be put into places of responsibility. As to administrative affairs, economy should be the watchword and all but the most necessary of offices and officers should be done away with. There should be no vacancies allowed; and the aim should be to maintain and abide by law. And in those things where little progress has been made, although some steps have been taken, the necessary period of transition has prevented an exact apportioning of work. This was, of course, partly due to the fact that it could not all be accomplished in a short time, and also to the fact that it was feared that the general scheme of affairs might be injured by mistakes due to hasty action, and it is therefore hoped that the Assembly will take these matters up and assist in their accomplishment."

Hereupon the President of the Assembly arose and made his reply, saying:

"After Yuan made a plaything of the constitution and disbanded the assemblies, I and the others considered how we might secure harmony, protect the interests of the people and assist the nation; but without success. The Government was in a state of confusion. The people were in a calamitous state. Their sufferings and their quickening hate have lasted now for three years. Heaven is just and the Yellow Emperor all wise, and those who began the righteous cause held to their purpose in spite of sorrow and suffering. They kept their faces turned forward in spite of obstructions. Their pent-up feelings overflowed and as a result the constitution has now been revived, and joy fills the souls of all those who live throughout the country. Our Assembly has now opened a provisional session. We have had the pleasure of listening to these excellent messages. I and the others are of the same mind to work with our united strength, to abide by the laws and statutes, and accomplish the interests of the moment. It will be our aim to follow a proper and correct course, in acknowledgment of the suffrages of our elders and brothers of the seventy-five districts and to demonstrate our appreciation of the messages which have been given to us by those in authority."

He having made an end of speaking, the bell was rung for the adjournment of the Assembly. A photograph was taken

taken to serve as a souvenir of the occasion, and the guests one and all departed. Those who witnessed the affair were filled with joy. The discussions of government were fraught with meaning and the spirit of the assemblymen was full of hopefulness. From this it will appear that the three departments of government are separated and established. Those matters which were attempted may now be reconsidered. I, the writer, being present, heard and saw these things and wrote them down with my pen.

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L. No. 298.

To Dept SEP - 5 1916

AMERICAN CONSULATE GENERAL,

Hankow, China, August 1, 1916.

Subject: Political Conditions.

Sub.....
Recd. AUG - 4 1916
Ack.....
Ans.....
Ref.....
Ans.....

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

Sir:

I have the honor to transmit reports of the recent
1/ riot in Hankow as published in to-day's Central China
2/ Post and the Hankow Daily News, both of which supplement
my despatch No. 296 of yesterday.
CONFIDENTIAL.

It is significant that the Central China Post renews more emphatically its indictment against the Japanese municipal government in permitting the revolutionists to harbor in their concession. The facts would certainly justify the strongest condemnation of the Japanese in protecting by giving residence to persons who are known to be agitators and most likely revolutionists. It will be remembered that there were explosions in the concession as a result from the bombs and that at least two Chinese newspapers have been published in this concession, which were antagonistic to the established government, and many other acts tend to convince one that these people were not anxious to maintain law and order in China. It has been suggested that the reason why the Chinese troops did not act more quickly to suppress the rioters on the night of the 30th was the fear that if a shot fired within the above concession it would be used as an excuse of the

extension

extension or patrolling of the Chinese territory.

The same criticism can no doubt be justly made of the French officials, but no one attributes the same motive to their want of vigilance as it is attributed to the Japanese.

In regard to the number of persons who met their death on the night of the 30th, it is extremely difficult to determine. At the time of the despatch of my telegram at 2 a. m. on the 31st it was assumed from a statement made by a member of this office's staff, by the German police officer, and by another authority which was considered reliable that the rioters shot many, probably 400 or 500, but there seems to be no substantial reason for believing that the casualties from weapons would exceed 100, and in fact it is difficult to find any one who has seen more than 24 casualties.

The value of the buildings destroyed was estimated by a local architect yesterday at Taels 150,000 to 200,000. This estimate includes only the buildings destroyed and does not take into consideration the other property destroyed by the fire or lost by looting. One silver shop is said to have its stock insured for $20,000, and this was a total loss. The architect is very familiar with all the buildings destroyed, and he has made a careful study of the question of losses, and while he does not consider that it is impossible for the amount given in the newspaper to have been reached yet he thinks that it is excessively high.

The

CONFIDENTIAL.

The U. S. S. SAMAR arrived in port about 9 o'clock last evening, that is, reinforcing the U. S. S. PALOS. The German consul requested the commanding officer of the PALOS to land two squads with machine guns in the German concession, as a precautionary measure, to protect foreign life and property. A similar request was received from the French Consul. The naval authorities acceded to the request, and as a precautionary measure landed two machine guns in the German concession and one in the French concession last evening about 8.30. As conditions were peaceful at 10 o'clock the machine gun was recalled from the French concession, recognizing that this could be done with safety, particularly as it was thought that any attack would first come through the German or British concession. This is very much appreciated by the local authorities of the concessions concerned.

I have the honor to be,

Sir,

Your obedient servant,

Edwin S. Cunningham

Consul General.

Enclosures:

Clipping from Central China Post, August 1, 1916.

Clipping from Hankow Daily News, August 1, 1916.

800.

C:M

Enclosure No. 1 with despatch No. 298

dated August 1, 1916 from the

American Consulate General, Hankow, China.

The Attempted Revolution.

Before continuing the story of the attempted revolution, which in our issue of yesterday we had carried as far as eleven o'clock on Sunday evening, it would be as well to explain who the disturbers of the public peace were and what was their object. They belong to a political party which calls itself the Kuomintang—one of the many terms used for "republican"—but originally were known as Kehmintang which meant "Change the Decree Society" or in other words "Upset the Government." They are the supposed followers of Sun Yat-sen and Hwang Hsin, although whether these gentlemen would acknowledge them is not quite certain.

We used to have a good deal of sympathy for this party, but for the present gang we have none whatever. During the time of the monarchy agitation, for safety's sake, they found accommodation for themselves in the foreign concessions—chiefly the French and Japanese—and we thought that then they were very unfairly persecuted. When Li Yuan-hung became President and the Republic was re-established we naturally expected them to be satisfied and resume their places as law-abiding citizens, but they did nothing of the sort. They commenced levying black mail under the pretext that money was required for a "Protect the Nation Army," and they perpetrated some horrible crimes in the way of assassinations of which we gave accounts at the time. Meanwhile, being still sheltered in the concessions, the local authorities were unable to reach them so as to deal with them in the way their misdeeds demanded.

Lately their mischievous activities took a new form. They asserted that our Tuchun, H. E. Wang, was a monarchist at heart and must therefore be expelled. It is nothing to them that he has preserved the peace in this centre, and that his rule has been approved of by the vast majority of the people. Wang must walk and they were the boys to make him. They imagined that by an exhibition of "fearsomeness", he would be scared and take to flight, like Tang Hsiang-ming, the Tuchun of Changsha, upon whom some of them also operated. Although there is only a handful of them it is an easy matter in a centre like this to secure a crowd of rascals ready for any mischief for money down, or even for the prospect of plunder, so the "fearsomeness" display was arranged for.

Another explanation given by the natives is to the effect that the local men were requested from Peking to cease troubling and a deputy was sent down with $60,000 to settle their accounts. A few of the leaders appropriated all the money and left the second rank men no share, so they carried through an old programme in order to demonstrate that a mistake had been made in overlooking them.

It was to take place on Sunday evening, and although the ringleaders are but a handful they had assembled a considerable crowd of the coolie class in the Japanese Concession. The programme was to burn the native streets adjacent to the Concessions for which purpose four hundred men were considered enough, and according to native report four hundred more were told off as fire-raisers in the native town, but that lot, on account of the rain, got cold feet and failed to set to work. One lot started in Hanyang where three houses near the Yamun were burned.

At this point it is impossible to excuse the authorities of the Japanese Concession for their—to put it at its mildest—contributory negligence. They could not help knowing what was being arranged nor fail to see the preparations that were being made. The men in question were their guests and accountable to them for their good behaviour. Because of the Japanese protection no one else could intervene to stop the wickedness which was afoot, and the Japanese did nothing. Indeed there were in the rowdy ranks any number of Japanese while the crowd were being marshalled in their concession, but whether as aiding and abetting, or as mere spectators, they know best themselves. The perpetrators of Sunday evening's enormities are said to be in the Japanese Concession yet, and they have neither been handed over to the authorities nor driven out, although they say they are not going to harbour them any longer.

Issuing from the Japanese Concession the first gang, which started before the rain, advanced as far as the Race Course gate,

which is just clear of the Japanese Concession, and then got to work. They fired off their rifles and mauser pistols, and started a few fires. The native police retreated to the station, and were soon scared out of that when they disappeared. The prison was also opened and all the bad characters, who have been tried and sentenced in the Concessions, were liberated. The native police may be blamed for not firing back, but it must be remembered that from the situation of the attackers every shot fired by them would have landed in the Concessions, and there might have been any amount of trouble in consequence.

The bulk of the mischief was done by the second gang which started out after the rain. They swarmed up the Hwachin Kai firing their rifles, and for a while the bullets were quite thick. They passed a number of foreigners standing to arms at the International Export Coy, who tried to keep them back but they showed fight and were allowed to proceed. Where a door was open the entered and fired the building while closed doors were blown in with bombs. In a short time the whole street, which is half a mile long, was a raging sea of flames. The British motor engine went to the scene but as nothing could be done it returned again. In the middle of the burned area there is a huge timber yard belonging to the Robert Dollar Coy. and that was spared; also the premises of Messrs. Diederichsen and Coy. but all native property was ruthlessly destroyed. Some five hundred houses went up in flames some of them splendid shops, and perhaps ten thousand people were rendered homeless. The damage done is estimated at two million taels.

Meanwhile it was nobody's business to restore order for the Chinese, and the native troops did not come on the scene till all was over. The Japanese had brought troops from the barracks and offered their services to the other concessions but only the French took advantage of them. Seventy men have been in duty there since.

What number of lives was lost will never be known. Many persons perished in the fires, and some were killed in other ways. The only foreigner injured was a woman engaged in one of the bars on Station Road who was shot through the neck by a stray bullet and is lying in the hospital in a most critical condition.

By one o'clock in the morning, Chinese troops took charge and quietness was restored. The volunteers were dismissed at 2 a.m. to reassemble again five hours later Yesterday, all the native streets were closely guarded; six looters were caught and executed at the barracks, and the prospects are that there will be no further trouble in spite of the native assertion that more "fearsomeness" will be turned on at night—an eventuality which the volunteers once again went on duty to prevent. All was perfectly quiet up to the time of our going to press, but there is no doubt the people have had a great scare and it will take some time for them to regain confidence. Many have left for the country and many more have shifted quarters.

The s.s. Ningshao took away a ship load of Ningpo people who were taking to flight and carried them free while the other steamers in port were swarmed out with refugees.

The streets yesterday were full of baggage being carried in all directions. If the ringleaders of this disturbance could be secured perfect peace might be guaranteed.

Enclosure No. 2 with despatch No. 298

dated August 1, 1916, from the

American Consulate General, Hankow, China.

The Hankow Daily News

Tuesday 1st August 1916.

The Situation

Never have we seen Hankow as quiet as it appeared last night. After the wildest rumours a peaceful evening. A tour round the town found the British Concession with no special measures except the occasional patrol of volunteers, the same quietness in the Russian Concession, the French Concession guarded by strong Annamite forces behind sandbags on the points [illegible] and the German Concession with strong Volunteer guards and several detachments of American sailors with machine guns. We thought we would dispense with a visit to the Japanese Concession: they would look after themselves.

During the day and especially in the afternoon the wildest rumours were rampant in Hankow. The one had heard it for certain that the attack by the unruly mob, alias Komingtan, at the remaining part of the Whakinghai would be renewed. Another had it that the French Concession had been selected for an assault in order to revenge the arrest of the revolutionary leaders on Saturday. Others again asserted on unimpeachable authority that the Taiping road with its inviting silver and gold shops was to be the special object. Whereas all these reports from reliable sources we learn the following:

After their successfull exploits of Sunday night the rioters arranged for a meeting to be held yesterday afternoon, when it was to be decided where the next attack should be made. But when it came to the meeting the two or six main leaders had removed to safer quarters and the crowd found themselves without leaders and without — money.

We have little to add to our report of Sunday night's riot. As already briefly announced in our yesterday's issue the Government troops advanced over the destroyed area after daybreak. The shooting that was heard between 4 and 7 a.m. was done by them. They showed they were there. The 8 a.m. local train was not despatched as the railway authorities were not yet aware of the fact that the railway line was intact. For the same reason the incoming train from Peking was detained at KiangNan, until a pilot had established the state of affairs.

As is usual at these happenings in China the exact number of

casualties could not be ascertained. Three men were found shot dead in the Friedrichstrasse, another two died of their wounds during the day. Many, some say at least a hundred, have perished in the fire and one Chinese was killed by a stray bullet in the German Concession. We regret to hear that the case of Miss Eppstein, who was shot in the neck, is hopeless. Considerable damage was done to foreign owned property and the Chinese Government will have to face a substantial claim. The property of Messrs Diederich, Nie & Co. was in very great danger of catching fire and it was solely due to the brilliant efforts of Mr. Beckler of Buchheister & Co., that the property was saved. It will be remembered that Mr. Beckler, several years ago, broke a leg on a similar occasion.

A report of the riot would not be complete without mentioning some very ugly stories going the round: of foreigners "picking up" some cups in a burning silver shop, of a British volunteer firing two revolver shots at a German volunteer in the German Concession. The latter case will probably occupy public attention very soon.

We understand that the Japanese Consul General expressed to the Chinese authorities his strong dissatisfaction at the happenings of Sunday night.

AMERICAN CONSULATE GENERAL,
CANTON, CHINA.

Serial No. 2. December 21, 1916.

SUBJECT: Political Conditions in Kwangtung Province.

Sub.
Recd. DEC 29 1916
Ack.
Ans.
Ref.
Ans.

Honorable Paul S. Reinsch,
American Minister,
Peking, China.

800

Sir:

I have the honor to report that Kwangtung Province is perhaps as peaceful as it ever becomes. Hostilities between the rival factions in the struggle for the possession of Canton, which was attended by the destruction of considerable life and property, have been suspended since the arrival here early in September last of the new appointees of the Central Government. As the Legation is aware, popular unrest, dissention among factions, each selfishly seeking for place and power with the support of some military clique, have kept this province in a continuous state of disturbance since 1911. Lung Chi-kwang, the former Military Governor, has now withdrawn to Hainan, accompanied by his troops, while his principal antagonists, Tsen Ch'un-hsuan and Li Lieh-chun, are en route to Peking. Liang Chi-chao, the pacificator, has gone to Shanghai. The autumn rice and silk crops were

good

good, so that the natives might not be expected to exhibit any symptoms of special unrest for a season. It may be stated that altogether the outlook is more promising and business is steadily improving. Brigandage, however, is still prevalent in the interior, especially throughout the Canton Delta, seriously interfering with the otherwise excellent communications afforded by the waterways concerned. It should be remembered, however, that this famous delta has always held an unenviable reputation for lawlessness, and has been the haunt of pirates, or rather brigands, from the earliest times to the present day. Its condition now is such as not only to constitute a constant menace to trade and shipping but also to life and property occasionally. The armed expeditions sent against these robber bands are of no value as the culprits escape before the arrival of the soldiers who in most cases are former bandits.

The new Civil Governor, Chu Ching-lan, and other officials here, in conversations with me have taken pains to emphasise that comparative order has been restored throughout this province. Governor Chu told of how immediately on arrival here he set about to persuade the rival factions to compose their differences and restore law and order, and that as a result the principal leaders entered Canton, where they were welcomed by the officials and populace. The tendency of the Chinese mind to compromise was a most potent factor making possible this result; another element was the ever present fear of foreign interference. All factions finally came to see that, should their activities lead to the establishment of two separate governments, one

southern

southern and one northern, the ensuing turbulence would easily be provocative of foreign interference with all that is comported by such a condition; and that China's best hope of preserving her integrity lay in presenting a united front. In this connection I beg to refer to the despatch of this office, dated August 14, 1916, page 4 of which treats of this international phase of the political situation here. It is noteworthy that foreign life and property were throughout the disturbances scrupulously respected by the various factions. Foreign interference, however, would likely have united the factions and made the movement anti-foreign.

Kwangtung Province is suffering through lack of unity among the present governing organs. The distribution of powers between the Military and Civil Governors is not working out satisfactorily in practice. The former, General Lu Yung-ting, is a native of Kwangsi. His antecedents are bad, having been at one time a bandit leader. A man of mediocre ability, an opportunist and intriguant, his talents therefor find ample scope for exercise in the chronic unsettled state of affairs in this province. Being a protégé of Tsen and of republican proclivities, his appointment by Peking was dictated solely by expediency. The disagreement between the two Governors relates chiefly to the control of the constabulary, composed of locally recruited troops. General Lu some weeks since borrowed from the Civil Governor 15,000 troops for the pacification of the outlying districts. Mr. Chu believed this work to be within the scope of his functions, and only reluctantly consented to the transfer. Liang Chi-chao, happening to be present at that time,

time, succeeded in recovering the control of these troops for the Civil Governor who had threatened otherwise to resign. Meanwhile the Military Governor also expressed an intention of resigning as the presence here of General Li Lieh-chun, Tsen Ch'un-hsuan, Chen Ch'iung-ming, and other radical southern leaders, had caused him no little embarrassment, each gratuitously offering advice as to the course of action he should pursue. These men though absent are still exerting a dominating influence over the Military Governor.

Since the passing of Yuan Shih-kai the South has assumed a less belligerent attitude towards the Central Government. The people seem to regard President Li with a degree of outward complacency, while the appointments ~~of~~ to the southern provinces made by Peking are merely tolerated. However, both the Kuomintang and the Chinputang desire their partisans to be made Civil Governor, which struggle has made possible the retention of Mr. Chu. There are many Cantonese who would be glad to see the departure of both the present Governors and the return of Hu Han-min or Chen Ch'iung-ming. Though not especially popular with the masses, these leaders have large followings in Canton that could be used in fostering the ambitions of their parties to return to office, and also these men in this manner hope to remove the disgrace attending their precipitate departures from office three years ago.

The Military Governor is not active in the affairs of the province at present, both through illness and the opposition of factions, while the Civil Governor, opposed by the strong Kwangsi party headed by the Military Governor, is attempting to win popular favor through the introduction

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of reform. The latter advocates the reduction of the provincial army, the improvement of the educational and police systems, as well as the promotion of the trades and industries. Recognizing, however, that nothing can be done until present conditions along these lines are known, he has appointed several investigators for this purpose, but as they are inexperienced his efforts at industrial reform for these and other reasons are doomed to failure. Mr. Chu's plans embrace, among others, the sending about of lecturers to promote social education. These lecturers are already visiting the various centers in the interior, discussing such questions as republicanism and individual liberty. They number one hundred, each receiving $50, Mexican, a month. This course is ill-advised and can only result in harm.

The Civil Governor is hampered in his work by lack of funds. He has asked for $6,000,000, Mexican, from the Central Government to relieve the situation here, $5,000,000 being required for disbanding the superfluous troops. One million dollars, Mexican, has been granted from the salt revenue released by the Consortium Banks, but is to be remitted in monthly instalments of $40,000, Mexican, each. The attempt to borrow $600,000 from the Bank of Taiwan failed owing to the Central Government's disapproval of the loan terms.

There is still cause for pessimism, as only a semblance of order has been restored and it is only the open factional hostilities that have ceased. The main problem concerns the disbanding and transportation home, or the continued maintenance, of the troops who are so-styled "ex-pirates", temporarily enrolled as soldiers. They number about 100,000, which is

four

four times as many as the province was required to support in pre-revolutionary days. No funds are at present available to enable the government to act in the matter. The revolutionary leaders who had joined Liang Chi-chao in an effort to reconcile the differences between the various factions had agreed upon plans for the disbandment of surplus troops, but no provision was made to obtain the money required for this purpose. If the money is not provided by the Central Government, the Provincial Assembly take the view that a revival of the old gambling monopolies in the province is the only means of raising the necessary funds without creating new disorders. But the Central Government has forbidden the restoration of gambling facilities though also failing to provide ways and means for raising the revenue. The provincial government has recommended a special levy of forty cents, Mexican, per mow on cultivable land in order to meet the urgent military needs, but this recommendation has failed to pass the Provincial Assembly. In the meantime, the gambling interests have induced the officials to create a special financial bureau to raise funds and this organ has recommended the government to re-open all forms of gambling. The gambling monopoly is said to pay the government $8,000,000, Mexican, a year for the privilege. Both Governors, however, in a recent joint proclamation, responding to pressure from the Cantonese faction in Peking, deny any intention of re-opening the gambling establishment.

There is a real and justified fear that the difficult and complex problem of raising funds will supply the seed of another revolution. There can be little doubt that the Kuomintang is working for the separation of the south from the

the north, and it is quite natural that this idea is receiving a stimulant through the failure of the authorities to solve the financial and other problems confronting them. The very efforts of the local government to introduce reform, which require fresh taxation at a time when revolutions, floods and drouth have impoverished large sections of the province, are almost certain to precipitate another crisis. In the past any accentuation of misery caused by increase of taxation or failure of crops provided the customary incentive to revolt, localised only by the extent of the province. A system of local government regarded by the Cantonese as superimposed from Peking, lacking in authority, notoriously corrupt and still more incompetent, in spite of mild attempts at reform too half-hearted to be efficacious, if even the ability of direction did exist, is destined to succumb before the first serious attack of any strong united faction. The inflammable nature of the masses is not held in restraint by a strong, able governing power. Moreover, by placing on economic grounds the foundation of the prevailing discontent, a popular indorsement is being given to the agitation against the local government.

While the leaders of Cantonese thought, who were the promoters of the first revolution, assert that the only solution of their provincial problem, and therefore China's problem, lies in the creation of a real Republic, yet among the masses there is no particular belief in the reforms which the establishment of a Republic would bring. Often on the brink of starvation, the great majority of the province, grossly ignorant and poverty stricken, is more concerned with immediate material welfare than with the form of government imposed. More than anything the desire to have a real

Republic

Republic is influenced by the views of the returned students from the United States and the growing number of those trained in the many influential American mission schools of this province. The returned Chinese merchants from the United States and the close trade relationship between this province and the United States also exert an influence. Last of all, the strong provincial feeling and the desire for local autonomy incline towards a system which appears to resemble our own Federation.

The hostility between this sectionalism and the centralization necessary for any adequate reform is undoubtedly proving as embarrassing to the republican officials here as it did to those of the old regime.

The leading difficulty confronting the officials sent here under appointment from Peking lies in the historical opposition between North and South. The success of the revolution of 1911 had been as much a victory of the latter as the triumph of another form of government. The higher ability and wealth of the southern maritime provinces have long chafed under the predominance of the less intelligent north. The situation was temporarily reversed and Canton triumphed over Peking. This antagonism presents an element of danger by offering the possibility of a divided China. The country is still so invertebrate, the means of communication as yet so scantily developed, the degree of civilization so diverse, that this peril is perhaps the most serious of all. The real question concerns less the quality of the official representatives of Peking sent here from time to time than the ability of China in the presence of these disruptive forces to evolve without anarchy and disorder from its primitive condition toward that of a modern state. However,

certain

certain hopeful elements in the situation fortunately exist and these will form the subject of subsequent reports..

I have the honor to be, Sir,

Your obedient servant,

H. A. Haenty Gennan

Consul General.

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Copy sent the Department.

I:C

Peking,

No. 967. February 24, 1916.

STRICTLY
CONFIDENTIAL

Political Conditions

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Ans.....
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The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

In connection with my telegram of January 29, 5:00 p.m., I have the honor to make the following report:

During the early part of January, when the matter of the formal proclamation of the monarchy was being discussed, I was informed by leading Chinese officials that this act would be accompanied by the promulgation of a constitution guaranteeing a representative parliament; or, at least, that a formal and explicit declaration would be made to the effect that the institutions under the monarchy were to include a parliament representative of the people, elected by popular suffrage with a [illegible] selective qualification, and entrusted with full liberty

of

of discussion and a certain power of financial and general legislation. I was also informed that at the same time a constructive program of governmental action, including financial reform, simplified methods of taxation, large works of public usefulness (such as reclamation and road building), and measures designed to develop agriculture and industry, would be announced concurrently with the promulgation of the monarchy.

The firm belief was expressed by these officials that the dictatorial power held by His Excellency Yuan Shih-k'ai will be legally distributed among the various organs of the government and that after the question of succession to the headship of the State had been definitely settled, the government could then address itself with undivided energy to the task of administrative reform.

On the basis of such a program, and in view of the fact that the government represented the only adequate organization in sight, the ministers of the countries mentioned in my telegram had expressed their readiness at the proper time to recognize the monarchical government. The minister of the country first mentioned in my telegram received on the 21st ultimo the following telegraphic instructions from his Minister for Foreign Affairs:

> "You are directed to act on the recognition of the future emperor in accordance with the action of the representative of the United States, informing me by cable of the American decision."

The confidential information concerning the legations of other Powers at Peking, which was at that time in my possession, indicated that they all, with the ex-

exception

ception of Japan, considered early recognition desirable; it was, however, doubtful how far the action of the Allied ing Powers would be determined by the judgment and interests of Japan in this matter.

Towards the middle of January, I was confidentially informed by a member of the Foreigh Office that the formal accession to the throne was likely to be set for February 9th. On January 23rd, however, another member of the Foreign Office called and stated that it had been decided to postpone the formal proclamation of the empire. High officials gave, as the reason for this action, the fact that upon the convocation of the Japanese Diet, the Okuma Government would find itself in the face of a violent opposition which would undoubtedly take advantage of the formal creation of the empire in China to cause difficulties to the Japanese Government, which in turn might thereby be impelled to take drastic action in China. In order to give no occasion for such developments, it was stated that the postponement had been decided upon.

The special mission of His Excellency Chou Tsz-ch'i, reported on in my No. 893 of January 15th (File No. 710), did not come to pass, as on January 15th the Chinese Government was informed that it was inconvenient for personal reasons of His Majesty, the Emperor of Japan, to receive the Chinese Special Embassy at that time. This was not publicly announced until late on the 16th ultimo.

A full explanation of the facts which happened durthese days is not as yet possible. The following hypothesis, however, has been advanced and I report it to you for what it is worth. It coincides with a

number

number of known facts, while other points in it are not established, though their probability is not unlikely. It is believed that His Excellency Chou Tsz-ch'i was empowered to offer to the Japanese definite economic, industrial and commercial concessions of great importance. In order to anticipate criticism and condemnation of the Government for having offered these to Japan, they are said to have been communicated to Mr. Tang Shao-yi at Shanghai: through having his anterior support and sanction, it was believed that opposition from the center and south of China could be more confidently faced. Mr. Tang Shao-yi confidentially took counsel with Sir Everhard Fraser, the British Consul-General, who immediately reported the matter to the British Minister at Peking. The British Foreign Office, on being informed, instructed the British Ambassador at Tokyo to remonstrate with the Japanese Foreign Office for entering upon negotiations with the Chinese behind the backs of the Allies. The Japanese Government thereupon called off the Special Embassy of Mr. Chou, in order not to allow the situation rapidly to change to its disadvantage, the Japanese Government then, it is alleged, categorically informed His Excellency Yuan Shih-k'ai that the accession to the throne must be indefinitely postponed as otherwise the Japanese Government would be compelled to use forcible measures. It is stated that during these days one of the sons of His Excellency Yuan Shih-k'ai acted as intermediary between the emperor-elect and the Japanese Legation. A number of the factors that go to make up the above hypothesis have been separately reported to me by

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on reliable authority. I have, however, no direct information of the part supposed to have been played by Mr. Tang Shao-yi. I am carefully testing each link in the chain and shall further report to the Department as to whether or not the evidence bears out this interesting theory.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

800.

A true copy of the signed original.

I:9

Peking.

No. 971. March 9, 1916.

CONFIDENTIAL

Convocation of the Old Parliament. —Political situation—

Sub.....
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The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

In continuation of my No. 958 of the 24th ultimo, I have the honor to enclose, for your information, translations of decrees and reports of discussions, in the Tsan Cheng Yuan (Council of State) and in the press, concerning the convocation of parliament, as published in the PEKING DAILY NEWS of February 28th, and the PEKING GAZETTE of February 28th and 29th and March 7th.

The monarchical propagandists do not look upon the early convocation of the parliament with pleasure; on the other hand, the responsible ministers and high officials in Peking consider that this step is well advised and that it will be calculated to ease the tension existing

existing between the people and the Government, and they may also feel that the existence of such a body will offer an opportunity to determine the form of the State in accordance with future political necessity. The revolutionaries are, of course, not satisfied with this measure, as they do not approve of the manner in which the elections of the present representatives were conducted. Efforts are being made to convoke in Shanghai a session of members of the old parliament, which was dissolved in 1913. Messrs. Tang Shao-yi and Wu Ting-fang, as well as Mr. Liang Ch'i-chao, are reported to be actively interested in this movement. The Legation is not directly or completely informed about this matter.

It has been reported to members of the Chinese Government that the trip which I am contemplating to the Yangtze Valley for a visit to the consular offices is really to be taken for the purpose of consulting with the revolutionaries, and eventually to mediate between them and the Government. As reported to me, members of the Japanese Legation have stated to Chinese officials that I had been in communication with the leaders of the opposition movement in Shanghai. As a matter of fact no communication of any sort has been received by the Legation, except a personal letter, dated February 28th, addressed to me by Mr. Liang Ch'i-chao, and delivered through the Japanese Post Office. A copy of this letter is enclosed: I have not made any answer to it.

The regular conferences of the Cabinet and of their political advisers have been inaugurated within the present week. Each of these conferences is to meet weekly. Dr. Willoughby is the American representative in the

in the political conferences; other foreign advisers being Dr. Morrison (British) and Dr. Ariga (Japanese). Among the Chinese members are Their Excellencies Mr. Chu Ch'i-ch'ien, Minister of the Interior; Mr. Liang Shih-yi, Controller-General of Revenues; Mr. Ts'ao Ju-lin, Vice-Minister for Foreign Affairs; Mr. Kung Hsin-tsan, Vice-Minister of Finance, and Mr. Sun Pao-ch'i, Auditor-General (former Minister for Foreign Affairs).

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

As stated.

800.

A true copy of the signed original.

THE TSAN CHENG YUAN.

CONSTITUTIONAL GOVERNMENT DISCUSSED.

Upon the receipt of the despatch from the Government suggesting that in order to inaugurate more quickly a Legislature the final election of the Citizen's Convention be converted into the final election for the Li Fa Yuan, a special meeting of the Tsan Cheng Yuan was held on Saturday in the capacity of Li Fa Yuan. Forty-one members and three Government Delegates were present. The meeting was presided over by Prince Pu Lun, the Chairman. The following is a brief account of the proceedings.

THE INTRODUCTION OF THE BILL.

According to the schedule, the Bill suggested by the Government was introduced for discussion. When the Secretary of the Assembly, Mr. Ling Ching-ming, was about to read to the audience as usual the document despatched by the Government, Tsan Cheng Li Yuan moved that for the sake of saving time, the Government delegate should directly make an explanation of the Bill without reading first the complete text of the document. The motion was put to vote by the Chairman and was carried by a majority.

EXPLANATIONS BY THE GOVERNMENT DELEGATE.

Mr. Chang Ying-chang, the Government Delegate, then mounted the platform and stated: "With a view to carrying out the Constitutional Administration, the Government expects that a Representative Legislature be formed at the earliest possible date. To accomplish this, the Government decided that the final election of the Citizen's Convention be converted into the final election of the members of the Legislature. The reasons for doing so are briefly as to be followed. In the first place, according to the Laws of Election regarding both the Citizen's Convention and the Legislature provided by the Provisional Constitutional Conference the election districts, the procedure and the methods of election, the qualifications of the candidates, etc. in electing the members of the two constitutions are practically the same, with the exception that the Citizen's Convention is to have 60 more members in the judicial and executive organs. After the promulgation of the laws of election both of the Citizen's Convention and Legislature, only one bureau has been established for the preparation of the affairs regarding the formation of the same.

"In the second place, the Government has made the announcement that the inauguration of the Legislature is to take place within this year. It is to be remembered that although the work for the establishment of Citizen's Convention has been recently pushed forward and the members of the Convention have now been elected, the date for the election of the members of the Legislature has not yet been decided. Should the inauguration of the Legislature take place after the drafting of the constitution, it would not be in conformity with the original object of the Representative Legislative Organ.

"Thirdly, the calling for another election for the Legislative organ will involve longer time and more funds, which do not seem expedient at the present moment. Consequently, the Government now suggest that the final election of the Citizen's Convention be converted into the final election of the Legislature, whose qualifications and the manner of election are the same. By so doing, financial difficulties with regard to the holding of another election will be removed, while the Constitutional Government procedure will be accelerated. Therefore, it is sincerely expected that this House will unanimously carry out this Bill to the benefit of the country."

After the statement made by the Government Delegate, the Bill was then put to discussion.

TSAN CHENG LIANG SHIH-YI.

Tsan Cheng Liang Shih-yi was the first one who mentioned the suggestion of the Government, and said: "In a constitutional government, the most essential thing is to have an organ entirely representative of the people. For two years the Tsan Cheng Yuan has been acting as the Li Fa Yuan, but the members of this organ are appointed by the Government and they do not represent the people. It is thought by some that the election procedure of the Citizen's Convention, presumed by January the fourth Year of Min Kuo, has just been completed, after an elapsed time of 14 months. This national many affairs involved in the elections. Therefore we pretend to agree to the suggestions of the Government to adopting a quicker means for the realization of the constitutional Government."

BILL UNANIMOUSLY PASSED.

On the finish of Mr. Liang's speech, the Chairman asked whether the bill should be subjected to investigation. As an answer to the question, the Government Delegate requested that the bill be passed without any further investigation. To this, Mr. Liang Shih-yi added that as the term for the Tsan Cheng Yuan to act in the capacity of the Li Fa Yuan was to expire on the 28th instant, there would be no time available for the investigation of the Bill. Consequently, the Chairman put the motion to the vote and it was carried by a majority. Then the Chairman put the Bill submitted by the Government to the vote, asking whether the same should be passed. The Bill was then unanimously passed by the assembly.

A DRAFTING COMMITTEE.

A Drafting Committee consisting of five persons headed by Mr. Liang Shih-yi for the drafting of a reply to the Government embodying the result of the meeting, was then nominated by the Chairman. In this connection, Mr. Liang Shih-yi pointed out that according to the Law of Organisation, the Legislature would be in ses-

sion by September, but the Government held the view that the legislative organ should be promptly inaugurated; and that although it was the authority of the Chief Executive to fix the date for the inauguration of the said organ, we might as well request the Government to call the Li Fa Yuan at an early date. Mr. Liang's view was agreed to by other members. After an interval of 20 minutes, the reply was drafted. After being approved by the assembly, it was immediately conveyed to the Government. The meeting was then adjourned.

REPLY OF THE ACTING LI FA YUAN.

In reply to your communication of the 25th instant we beg to say that on the 26th instant we held a session to discuss the matter. As the procedures for the election of the members of the Li Fa Yuan are similar to those of the Citizens' Convention, and as the people are desirous to have a good Government, it has been resolved that the members of the Citizens' Convention elected in the Final Election shall be considered as members of the Final Election of the Li Fa Yuan; and that the Special Central Electoral College and the Electoral Colleges of the Mongolia, Tibet and Chinghai shall be instructed to hasten on their electoral works. According to the Laws on the Organization of the Li Fa Yuan, the Li Fa Yuan should hold its session from the 1st day of the nine month to the end of the year; but as we are anxious to have a constitutional Government as soon as possible the convention of the said House should take place quickly, thus the hope and expectation of the people will be realized, and the foundation of the nation will be consolidated. The above resolution was passed unanimously by the whole house, and we hereby request that the Cheng Shih Tang will bring the same to to the notice of the Throne. Dated the 26th day of the 2nd month of the 1st Year of Hung Hsien.

THE CONVOCATION OF THE LI FA YUAN.

IMPORTANT DISPATCH.

With an object to hasten the convocation of the Li Fa Yuan, The Cheng Shih Tang on the 25th Instant addressed to the Acting Li Fa Yuan a long despatch of which the following is a translation :—

Since last year the Government has repeatedly declared to the citizens of this country that it has decided to govern the country with a constitution. In a constitutional country besides organising the judicial organ according to law, it is necessary that there should be an administrative organ to devise means for the improvement of the interests of the people and the nation. But the most important of all is the legislative organ where the will of the people is represented, thus securing permanent peace and good government; and this organ is to be organised by members elected according to the Law on the Organisation of the Li Fa Yuan. Therefore after promulgation of Laws on the Organisation of the Li Fa Yuan and its elections, a Bureau was established to handle the Preparations for the Organisation. Later on at the request of the Provisional Constitution Conference, laws of compilation were promulgated for the Organisation and Elections of the Citizens' Convention, and the above-mentioned Bureau also acted concurrently as Bureau for the Preparation of Citizens' Convention. As most of the preparation works of the Li Fa Yuan and the Citizens' Convention are similar to each other, it is hereby found necessary to convene the Citizens' Convention first to pass the Draft Constitution prepared by the Committee of the Tsan Cheng Yuan, the elections of members for the Convention took place after the 10th month of last year. With the exception of the Central Special Electorial College and the Single Electoral Colleges of Mongolia, Tibet and Chinghai, the members of the Citizens' Convention were elected before the 12th month of last year.

It is now felt that no further delay should be allowed for the enforcement of a Constitution, and on the other hand the draft of Constitution should not be drawn up too hastily, but the persons entrusted with the task of drafting should proceed with great care in making the Fundamental Law of the country, which effects the weal and woe of the people. It therefore requires time for the passage of the Constitution, and should we await the convention of the Li Fa Yuan after the promulgation of the Constitution, it will be inconsistent with the desires of the Government to enforce constitution and respect the will of the people. According to the constitutional system there should be a Legislative Organ organised by members elected by the people, and as the people are desirous to enforce the Constitution, it is important that this organ should be established with all haste, in order to assist the Government for the improvement of the administration. In the 12th month of last year it was promulgated in a Mandate that the Li Fa Yuan should be organized within this year, and it must be pointed out that the people are now more anxious than ever for the establishment of this organ. Although the date for the convocation of the Li Fa Yuan has not been provided for in the Constitutional Compact, we must do our best to meet the requirements of the time. The procedures of the elections are very complicated because the law was so carefully made in order to prevent corruption and irregularity, therefore [illegible] will be required for the election. However, to meet the requirements of the present, it is advisable that all the members and the reserved candidates of the Citizens' Convention elected by the provinces and special administrative areas should be considered as members and candidates of the Li Fa Yuan, which shall be organized by them immediately. At the same time the Bureau for the Preparation of the Li Fa Yuan should be instructed to hasten the elections of the Special Central Electoral College, and the electoral colleges of Mongolia, Tibet and Chinghai. Thus the organ representing the will of the people will be introduced in a short time, and the Laws of Li Fa Yuan will not be violated. As to the drafting of the Constitution, which is the fundamental law of the nation, the officials drafting same shall be instructed to proceed carefully so that it will suit the condition of the people and the present situation of the country..... We hereby refer the matter to the Acting Li Fa Yuan for decision.

MONDAY, FEBRUARY

A PARLIAMENT MAKING BILL.

There has been a good deal of rumour during the last few weeks regarding the alleged intention of some of the members of the National Assembly, under the direct Presidency of the Min Chu Party, to introduce in the Autumn of 1913 the creation of a "Provisional National Assembly" in Shanghai with the object of supplanting the Legislative Council of the Public Government. It has even been suggested that a portion of the Cabinet is to be formed with the leading republicans at present in Shanghai. Although it has been said that this is to be done with the consent of the Peking Government, it is difficult to see how such a scheme can be carried out in practice. For the present, however, the Government is content to work through the Li Fa Yuan, and to bring hastily yet through, it appears that as the convention of the Li Fa Yuan must be dissolved, the prescribed elections are to be dispensed with and the members elected to the Kuo Min Hui Yiou Citizens' Convention, which was to be convened for the purpose of deliberating on the important question of the constitution, are to be made M.Ps. The measure was presented by the Government to the Tsan Cheng Yuan on the 26th, at what will probably be the last sitting of this purely nominative body, whose extended session terminates to-day. The formality of a preliminary examination of the Bill by a Committee was dispensed with, as there was no time for such a superfluity. And a most important Bill was hurriedly passed without a preliminary examination—not even a public reading of the original bill in the House—within the short space of half an hour. In

[illegible] to consider whether the [illegible] deemed competent to deal with the constitution are also competent to look after the interest of the people and the country. But it is a good sign that an attempt is being made to give the country some sort of a parliamentary body although a regrettable one of the legislative methods adopted in connection with the King Ma[illegible] Bill to the Assembly cannot be approved of, only on the ground of national emergency and the necessity of [illegible] the Bolshevists against [illegible]

GOVERNMENT EXPLANATION.

The representative of the Government, Mr. Chang Hsiang-wen, was invited to make an explanatory statement regarding the Bill. He said that promised by the wish that a system of constitutional government should be swiftly established, the Government desired that the Li Fa Yuan, composed of members elected by the people, be established at an early date. The idea was to make the elected members of the Citizens' Convention members of the Li Fa Yuan without a fresh election. It was to be noticed that the electoral areas, election methods, electioneering qualifications and other details of procedure originally fixed by the late Provisional Constitutional Convention for the Citizens' Convention and the Li Fa Yuan were identical in every respect, with the exception that the Citizens' Convention was to have sixty additional members representing the judicial, administrative and other official organs. Since the promulgation of these election laws, only one organ had been attending to the work of these two bodies. Last year the House decided that the elec-

submitted to the House.

The Chairman next asked if the Bill should be submitted to a Committee for preliminary examination. The representative of the Government rose and asked the House to dispense with the formality of a preliminary examination. Mr. Liang Shih-yi also pointed out that as the extended session of the Li Fa Yuan would end on the 30th, the day's time would not be time to examine the Bill according to the standing rules. The Chairman then upon proposed that the preliminary examination be dispensed with. This was agreed to. Upon the Chairman asking if the House approved the Bill, the whole House rose in a body to indicate approval, and the Bill was passed without a single reading. A committee of five, headed by Mr. Liang Shih-yi, was next appointed by the Chairman, to draft the reply of the House to the Goverment.

The Date of Convocation.

At this stage of the proceedings, Mr Liang again rose and asked if there were not other matters for discussion. Prince

Yuan established at an early date, the successful candidates of the final election of the Citizens' Convention should be regarded as successful candidates of the final election of the Li Fa Yuan, and the election of the Special Central Electorate and of the Combined Electorate of Mongolia, Tibet and Tsinghai should be abridged to an earlier date for the election of their proportion of members to the Li Fa Yuan. In proceeding in this manner the law will not be violated in the least. A perusal of the organisation law of the Li Fa Yuan shows that its regular session should begin on the 1st day of the 9th month and continue until the end of the year. At this time when the cause of constitutional government is advancing vigorously, the convocation of the Li Fa Yuan should take place at an earlier date than previously fixed so that the Legislature may soon be established and the expectations of the people may be satisfied and the foundation of the nation consolidated. The question has been discussed and unanimously settled in the sense of the proposal submitted. We have the honour to communicate this reply respecting our decision and ask the State Department to submit the same to the Throne for promulgation.

"Dated the 26th day of the 2nd month of the first year of *Hung Hsien*."

CONVOCATION OF PARLIAMENT.

MONARCHIST PRESS VIEWS.

With the exception of the "Kuo Hua Pao" and the "Ta Shih Ya shih Pao," the newspapers issued in the Capital do not discuss the Bills passed by the Assembly. Instead they publish articles on the Convocation of Parliament and express their views on the subject. The following is a translation of the article in the "Kuo Hua Pao," which is followed by an English version of the one in the "Ya Hsi Ya Jih Pao."

VIEWS OF THE "KUO HUA PAO."

During the last four years the people of China, owing to the disturbances created by the republican system, have been deprived of peace and happiness. They have been living in a state of utter misery like a person hanging by his feet. This is not the fault of republicanism. The real reason is that the constitution, which is the concrete foundation on which a constitutional government is reared, was undermined and then entirely blasted by the arbitrary methods of desperadoes and the extraordinary theories advanced by

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of the people was considered impossible by the subordinate ones, and those which were considered practicable by the subordinates were, in conflict with the welfare and interest of the people and the country. Consequently the desire of the people to restore the actual emperors of the constitutional government prevailed everywhere and their hatred for the Republic became more bitter. This is the reason why the propaganda for a change of *Kuo-ti* was irresistible and why the monarchy has long been.

Our Emperor has held a pleasure-colloquy during the last six years, and he is now the supreme monarch of constitutional government. The people especially look up to the Majesty ... virtues ... the day ... dissensions ... the people ... Hua Pao," adds nothing to this announcement made by the representatives of the Government at the meeting of the Tsan Cheng Yuan on Saturday, although the concluding passage is not a little picturesque: "This is why we dance like sparrows in joy on learning that the Tsan Cheng Yuan has passed the Bill". The following is a translation of the article in the "Kuo Hua Pao," which is followed by an English version of the one in the "Ya Hsi Ya Jih Pao."

VIEWS OF THE "KUO HUA PAO."

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... Why the people have elected the members of the Citizens' Convention is that they are considered to be of the "cream of the people." Since there are no other persons worthy of being described as the "cream of the people," the people will assuredly approve of making them members of the Li Fa Yuan .... Two birds are killed with one stone; and we dance like sparrows in joy on learning that the acting Li Fa Yuan has adopted the Bill.

The following is a translation of the views of the *Ya Hsi Ya Jih Pao*?

VIEWS OF THE "YA HSI YA JIH PAO."

Not a man is to be found who is not glad that the Government has devised a scheme

The simplest, quickest and most reliable way is, therefore, to convert the successful candidates of the Citizens' Convention into successful candidates for the Li Fa Yuan, and then convene the assembly at an early date. In this manner the real will of the people will be expressed closer in a union, and the moral effect of the same on the suppression of the rebellion will be at once apparent. It is hoped that the Government will press the matter with determination and not be hindered by hesitation or fear; for in this lies the people's great blessing.

THE LI FA YUAN.

TO OPEN ON MAY-DAY.

[illegible]

Never has the organisation law of the Li Fa Yuan, the highest organ of the republican state, of that body to which the legislative power belongs, been so near its completion as it is at present. It is the opening session of the Li Fa Yuan which, according to law, will be the ordinary session. At this moment when the constitutional government is being pressed with the utmost vigour, the Yuan should be convened at the earliest date that circumstances will allow. It is hoped that the meetings of the Yuan will be opened [illegible] the month of May, as the day set aside for the Li Fa Yuan shall be announced. [illegible] of February [illegible] the Li Fa Yuan shall [illegible] preparations for the [illegible] law.

Necessity of a Legislature.

[illegible] ago [illegible] We have [illegible] necessary [illegible] to call [illegible] [illegible] with the people [illegible] [illegible] [illegible]

The Reply of the Tsan Cheng Yuan.

While it is recognised that the conversion of the successful candidates of the final election of the Citizens' Convention into successful candidates of the final election of the Li Fa Yuan is only a measure of expediency, the law is in no way violated, as the numbers of the members and the procedure of election are identical with the additional advantage that the progress of constitutional government is hastened. In regard to the making of the constitution, since the same affects the foundation of the nation, the Drafting Committee should be given ample time thoroughly to discuss the same. They should carefully consider what is best and most appropriate for the fundamental organisation of the State, the strengthening of the foundation of the country and the increase of the influence of the nation, and see to it that every step of the process is in

accordance with the prescribed programme. The Bureau in charge of the affairs of the Citizens' Convention have promised that the election for the Citizens' Convention is in accordance with law; and the successful candidates elected as the result of the final election for the Citizens' Convention are to become the successful candidates of the final election for the Li Fa Yuan. Whether this could be done or not, it was Our duty to inquire into the acting Li Fa Yuan in accordance with the Constitutional Compact and to receive a speedy reply from the same body. In reply with accordingly sent to the acting Li Fa Yuan and a reply has been received from the same stating that in enacting the Election Law the Legislature had in contemplation the possibility of the various provinces not proceeding to election the same day, and that the election of members of the Citizens' Convention and also the election for the Li Fa Yuan is identical with that for

THE RACE FOR A PARLIAMENT.

COMPETITION BETWEEN NORTH AND SOUTH.

The words *Kuo Hui* (Parliament) and *Li Yuan* (M.Ps.) have for some time been regarded and "looked upon coldly by officialdom." To-day, however, these terms are on the lips of all men and in their dreams with the Peking Government on one side and the Republicans in the South. In fact there is now a race between the Peking Government and the Republicans for the honour of being the first to convene a parliament. It depends on which party can first secure the support of the people. The Peking Government is in the throes of

[illegible]

[illegible]

[illegible]

and rendered harmless by the vigilance of the Government officials, feel themselves a part of the Republican body, represented as they will be in the Provisional Parliament at Yuanshih.

Difficulties of the Central Government

While the Government seems to be united in its efforts to secure the moral support of the people of the entire country by calling up the Parliament elected by them, the Central Government is meeting the first difficulty in the person of Li Yuan-hung. The attitude of the Central Government in connection with Colonel Conyngham has been one of firmness and moderation. It seems to be difficult to realize that with great interests and lives attacking you it is not possible to effect a solution of the difficulties at once. The Government is exercising supervision over the movements of the troops, and has issued orders that no troops are to be moved without the permission of the Government. The opposition of the Republicans is natural; but the opposition of the monarchists, especially the leading monarchists such as the promoters of the Chou An Hui, is something to be reckoned with. The position of the Central Government is therefore exceedingly embarrassing. The difficulties of the Government are greatly increased by the fact that the monarchists of the monarchists is greater than ever. They are fighting for their very lives. To them the calling of the Parliament before the [illegible] means the annihilation of the monarchists. [illegible] the downfall of the Empire a result [illegible] must be accepted, they have to do [illegible] the assembly question is definitely settled, i. e., after the Ta Huang Ti has officially declared to the world that he is willing to take the responsibility for the change of Kuo-ti off the shoulders of the monarchists. Until this is done and the misery of the monarchists is relieved, the latter will fight and fight energetically for either the postponement of the convocation of the Parliament or the hastening of the enthronement. It is a question of great importance whether the Ta Huang Ti is strong enough to displease the monarchists. It is known that he is sincerely sick at heart at the trouble the monarchist movement has caused and is ready to take any action that is consistent with dignity to remedy matters. Whether his ideas and plans will be distorted by the monarchists "beyond recognition", remains to be seen. One comforting fact is that the more level-headed officials are at the back of the Huang Ta Ti in principle, though as to the best means of carrying out the plan opinions differ.

I:W

No. 1054.

Peking.

April 28, 1916.

STRICTLY
CONFIDENTIAL.

The New Ministry

Sub.....
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Ack. 800
Ans.....
Ref. .....
Ans.....

The Honorable,

The Secretary of State,

Washington, D.C.

Sir:

As reported in my telegrams of April 24th. 6 p.m., and 27th. 8 p.m., a new Ministry has been formed under Presidency of H. E. Tuan Ch'i-jui, which is compo[illegible]of the following members:

1. Tuan Ch'i-jui, appointed Minister of War.
2. (a) Lu Cheng-hsiang, appointed Minister of Foreign Affairs.
   (b) Wang I-t'ang, appointed Minister of the Interior.
   (c) Sun Pao-ch'i, appointed Minister of Finance.
   (d) Liu Huan-hsiung, Appointed Minister of Marine.
   (e) Chang Tsung-hsiang, appointed Minister of Justice.

(f)

(f) Chang Kuo-kan, appointed Minister of Education.

(g) Chin Pang-p'ing, appointed Minister of Agriculture and Commerce.

(h) Ts'ao Ju-lin, appointed Minister of Communications.

3. Wang Shih-chen, appointed Chief of Staff.

4. Chuang Yün-k'uan, appointed Auditor General.

5. Hsia I-t'ing, appointed Acting Vice Minister of Foreign Affairs.

The fact of cardinal importance about this Ministry is that H. E. the President has agreed with General Tuan Ch'i-jui to turn over to the Cabinet full governmental power and to admit that they are, in the full exercise of this power, to consider themselves responsible to the National Parliament, which is to be immediately created. As a matter of fact, the bureaus which had grown up in the office of the President, and through which he exercised his control over the important branches of the administration, have been abolished, and the President does not propose personally to interfere with the course of administrative action, unless the matters are referred to him by the Cabinet. The control of the army has also thus been transferred, with the exception of the Honanese troops which act as a body-guard of the President and which number about 20,000. Assurances have been given, however, that these too are to be controlled by the Ministry of War, after certain changes have been effected.

A very complex situation is brought about by the above changes. It is universally recognized that H. E. Yuan Shih-Kai has lost greatly in prestige and moral authority. Any attempt on his part to continue personal government would, therefore, probably lead to constantly increasing disaffection. However, his name still remains the binding tie by

which

which military authority is held together. Were he suddenly to retire, the different military governors would recognise no common superior, and it is certain that a scramble would result, which would cause throughout China the anarchical conditions now prevailing in the two southern most provinces.

For this reason the personality of Yuan is for the time being retained as a symbol of authority. It is hoped that gradually, in avoiding a sudden shock, General Tuan and his Cabinet may effect a transfer of authority in reality and to assure the continuence of the authority of the Central Government. The promotion of General Li Yuan Hung to the presidency, which is clamored for by the revolutionists, is rejected as a solution, because he does not possess sufficient influence and authority to control the military leaders, and his accession would therefore not a avoid the scramble for power and preference, which it is feared would plunge the country into anarchy.

The Cabinet is not built on the desire to secure for its members a permanence of power. It is frankly transitional, and its leaders hope gradually to bring in the cooperation of the most prominent men in the opposition. The present balance of power rests on two agreements, that between the President and General Tuan, cited above, and another between General Tuan and H. E. Liang Shih Yi, in which the former agrees to control the troops, while the latter is to supply the financial support. Mr. Liang Shih Yi has, therefore, placed his associate, H. E. Chow Tzu-Chi, in charge of the Bank of China.

For the information of the Department, I have the honor to enclose some articles from the PEKING GAZETTE of April 19th, 1916.

a Journal which is strongly in opposition to the President, dealing with the following subjects: "The Government of China", "The Question of Retirement", and "Kiangsu and Chekiang".

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSOH.

Enclosures:

As stated.

800.

A true copy of the signed original.

THE ALTERNATIVE TO PALACE RULE.

We say again that China's survival as an independent nation can be secured only by a swift adaptation of her "life" to the new environment created by foreign pressure, particularly that created by Japan since the outbreak of the war in Europe. To effect this adaptation—it cannot be too often repeated—we must abolish the system that bars the way to the immediate introduction of the method which is to lead us to "national salvation". That system is Palace rule and that method is parliamentary government expressed in terms of a strong Cabinet. Just as Palace government bundles into the hands of a single man all power and action so does parliamentary government confer in a Cabinet all the powers of the state and its initiative of action: the difference between the two systems is enormous.

PARLIAMENT AS A GOVERNMENT-MAKING ORGAN.

While the members of a Cabinet individually or as a whole may misgovern a country, the existence of a real parliament enables a misgoverned people at once or at the expiration of a specific period to remove the members of a corrupt government out of office and power. But this is not so in the case of a ruler under the Palace system. Such an one continues to misgovern a people until assassination or revolution removes him from the seat of oppression. There is no *government-making organ* in the body politic of a country under Palace rule; and a change of government must generally be effected in the manner indicated in the well-known *mot* which describes Russian rule as an "autocracy tempered by assassination" or by revolution. It is precisely the elimination of this barbarous and costly method of removing a bad ruler which has been effected by the rise and progress of parliamentary institutions abroad. No normally healthy nation is ever free of political revolutions; indeed it is true to say that—because life is an eternal conflict, involving a perpetual re-adjustment between the organism and its environment—a people that has ceased to "revolt" is a dying

ENGLAND AND REVOLUTION.

It used to be a favorite saying of [illegible] people that England is always in a state of revolution! This be [illegible] an epigram but it is not a paradox. You see the truth of it in the present temper of the English people in their "revolt" against the Coalition Government for its slow adaptation [illegible] to the greater struggle that has called the marvellous [illegible] of a marvellous people. Read their newspapers and you will be amazed at the [illegible] passion of a criticism which, [illegible] necessary and loyal support, would be hard to parallel and, in [illegible] unparalleled country, would [illegible] a movement of opinion [illegible] to public order and peace. Instead of disintegration, however, England [illegible] more and more consolidated [illegible] of her public life [illegible] country by means of the "revolt" against the [illegible] and [illegible] of the [illegible] Government by Englishmen yield strength, whereas in China we see [illegible] into revolution and the break-down of Government? Race, temperament, tradition and other *imponderabilia* explain much but not everything. Englishmen have had their civil wars and when they were called upon to make a great decision, they did not hesitate to chop off the head of their Stuart king who thought of relying on a "divine" title instead of the "will of the people." The real explanation must be sought in the growth of parliamentary rule in England which has now developed in the body politic *an organ that makes and unmakes government* without appeal to the "right of revolution." Every general election, every bye-election in England is a political revolution, differing only in its method from the Revolution of 1911—which removed the "Government" of the Manchus—and the present movement in the South which is but a public criticism of the "Government" of the Mandarinate expressed in terms that reactionaries are known to

Western Returned Students should be formed into a separate electoral body with a proportionately larger right of representation than any other single group of the electorate. If we are to be governed in a modern way, these are the men that must be given a substantial share in the future government of the country and in time our principal rulers must be recruited from the best of this class. If salvation is to come through parliamentary government, the system must be worked by men of the proper training and experience, and such men in the beginning must be sought among those who have acquired the modern mind by education and travel abroad. To entrust the system to mandarins who know not and care less for the foreign interpretation of an essentially foreign institution is to court disaster and

of Students in the new parliamentary era, we have to add one more suggestion in this exceedingly brief consideration of a big subject. In order to avoid the repetition of the legislative blunders of the National Assembly of 1913, whose members first thought [illegible] and so [illegible] ing this to the end Parliament the legislative functions should be vested exclusively in Cabinets so that non-[illegible] could be introduced into Parliament. While the [illegible] regarded as [illegible] so to

and of [illegible] thing else [illegible] selected by [illegible] does to

with the life of each Parliament so that the Cabinet shall not be liable to be dismissed from office on a mere division. There is of course the danger of such a Cabinet developing into an oligarchic body; but in that case it will be for a few years, and between a Palace ruler for life and an autocratic Cabinet for five years, we suggest that the latter is the lesser of two evils. We have said that all the powers of government must be centred in the Cabinet in whom must also be vested the entire control of the fighting services. For at least a generation the Cabinet must be vested with all the powers which the present Chief Executive succeeded in gathering into his hands as a result of his dissolution of the Parliament of 1913. And the chief of these powers relates to the control of the Army and Navy. Without a complete and absolute transfer of such a control to the Cabinet, there can be no real change

control of the military by means of the national treasury, which has enabled him apparently to dominate the nation and appear to foreigners as a superman, an Atlas bearing on his shoulders the entire destiny of 400 million Chinese and whose retirement would involve a chaotic catastrophe in this region of Far Asia. And events are now showing the inherent defects of the rules resting his authority and power on the army instead of the people. You see, when you are a "strong man" you have only to see the soldiery is willing to support you, but directly their support is removed, your fall is inevitable as it is swiftness. We see it all to-day. The "army" created by the Chief Executive has proved itself a danger and a peril at once to himself and to the peace and order of the country and withal incapable of protecting the nation against alien aggression. It is a "Frankenstein," and exactly how to deal with it will be the hardest problem facing the new government to be organised after the conclusion of "peace" between Peking and the South. But there can be no doubt that eventually it will have to be improved out of existence.

THE PRESIDENT.

It seems hardly necessary to explain why all powers of government should be removed from the President and concentrated in the Cabinet. We have pointed out that—with the possible exception of Vice-President Li Yuan-hung—there is not a living Chinese that would fail to develop into a personal and Palace ruler if entrusted with large powers of government. He might wish to be a constitutional ruler, but the weight and pressure of character, training and tradition would push him along the same calamitous road already trodden by the present Chief Executive. And acting on the practical though cynical view of life that the average man is honest in the absence of temptation, we suggest that the most powerful enticement towards the throne would be eliminated if the first magistracy were invested with as little power as is consistent with ceremonial dignity.

The holder of the office must be content—as it is said of the King of England—to reign and not to rule. Although deprived of governmental power for the sake of his own honesty, the Chief Magistrate need not necessarily be a figure-head. By advice and counsel he will always be able to direct and influence the policies and action of the Cabinet if he be a man of "strong" character and personality, although we have to express our preference for a figure-distinguished less for his aggressiveness than for the possession of the truest respect of the country. Only in this way can he be trusted not to hanker after the Imperial flesh-pots and who shall be a shining example of a Chinese gentleman. If the sanctity of the office does not call a Chinese Bismarck there will be nothing to debar such an one deserving from the Presidential plane of a Minister of State controlling the Cabinet. And with the solution of the "Presidential problem" there will disappear all the dark difficulties which Dr. Goodnow and the Treaty Port Editors have been wont to suggest regarding the necessity of a "strong man" at the helm—occupying or rather existing the Magisterial chair of the Republic; and with the disappearance of these illusory difficulties, there will also pass away that terrible nightmare—the question of succession. In these circumstances the Presidential prize will be reserved for the quest of men who are not beset by troublesome dreams of robes embroidered with sixty dragons and thrones of incense-wood costing half a million dollars. The quest will be pursued, here as in America and in France, by citizens of the Republic inspired by the very human and legitimate motive aptly described by the French as *la gloire*.

EUGENE CH'EN.

THE QUESTION OF "RETIREMENT."

THE DEMAND OF THE SOUTH.

TWO MOMENTOUS TELEGRAMS.

Two momentous messages have reached Peking from the South in connection with the question of "peace". One is from General Li Yuan-ching, the Tutuh of Kwangsi, in his name and in those of Tang Chi-yao, Tutuh of Yunnan, General Tsai Ao, Generalissimo Liang Chi-hsiang, Tutuh of Kweichow, Liu Kuan-hsiu, Tutuh of Kwangtung, and Chang Hsun-chi, as Governor of Kwangtung. This telegram was issued from Nan-ning, the capital of Kwangsi, and reached Peking on Monday and was addressed to Vice-President Li Yuan-hung, Mr. Tang Shao-chang, Secretary of State, General Yuan Chi-kun and Mr. Chiang Wei-kuan, the ex-Chief Censor, whose nomination seems to be an honour in Kwangsi as he is addressed in his former capacity of Chief Censor. The other telegram received Peking yesterday was from General Chang Yi, the Chief Chen of Kwangtung, to Vice-President Li Yuan-hung, Mr. Tang Shao-chang and General Yuan Chi-kun. The following is a translation of the text of General Li Yuan-ching's telegram which will probably prove to be of historic importance:

Telegram From Nan-Ning.

"I have to acknowledge the receipt of three telegraphic communications which have reached me, contents of which I have perused with care and interest. Deeply struck by the sight of the dangers besetting the country and currently desirous of peace, you have expressed your views so forcibly that the words have stabbed my heart and have even reached my bones. Yuan-ting may have little virtue but he cannot be ignorant that he cannot be insensitive to your appeal. I have delayed replying to your telegrams, because, the matter being of grave importance, I have had to consult and secure the views of Yunnan and Kweichow, who preceded me in the Righteous Movement, before a definite reply could be despatched to you. I am now in receipt of telegrams from the Tutuh of Yunnan and the Tutuh of Kweichow as well as from Tsai Sung-po [General Tsai Ao.] Substantially these telegrams state that Hsiang-cheng [the Chief Executive who is referred to by the name of his native district in Honan] has violated the provisions of the Provisional Constitution and thus he has invited war into our midst. As he has utterly disregarded his moral responsibility and therefore forfeited his dignity and honour besides abusing the trust of the country, the simple cancellation of the Imperial title is inadequate to satisfy in a perfect sense the expectation of the people and of foreigners so long as he clings to the desire to remain in his office of President. To persist in this desire can only increase the dangers of the country. However much we may wish to arrive at a compromise on the subject, we find that it is impossible for "this viral step" to be avoided. Yung-ting and others therefore humbly implore you to submit to Hsiang-cheng our request for his immediate retirement from the Presidential chair in accordance with the provisions of the Provisional Constitution so that Vice-President Li Yuan-hung may assume the authority of the State, issue orders for the cessation of hostilities, assemble a National Parliament and reform the internal administration. Our salvation from the disorganisation due to factional jealousies and the present financial embarrassment and as Hsiang-cheng has proved that he has no wish to convert the country into his private property, he surely will no longer hesitate to sacrifice the empty title of President for the sake of saving the people from the horrors of fire and water. A word from you, Gentlemen, will suffice to uphold the republican Situation and to [illegible] and crushing [illegible] your orders."

TELEGRAM FROM CHEN YI.

The following is a translation of the telegram from General Chen Yi. It reports on a follow-up of the peace negotiations between himself and General Tsai Ao and proposes the convening of a Peace conference in Kwangsi:

"I have hereby to report that I have forwarded Lin Wei-ming and Lai Fan to proceed to Kwangsi for the purpose of opening free personal communications between myself and General Tsai Ao and preparing the convening of a Peace conference in Kwangsi.

"I have hereby to report that I have forwarded Lin Wei-ming and Lai Fan to proceed to Kwangsi for the purpose of opening free personal communications between myself and General Tsai Ao and preparing the convening of a Peace conference in Kwangsi.

Reports have been received from the delegates, stating that in reply to our counter-proposals Tsai Ao states that Yunnan and Kweichow have telegraphed that they are not satisfied with article 1 providing for the continuance of the Great President in office. As to Kwangsi and Kwangtung, no reply has been received by Tsai Ao from these provinces owing to the destruction of the telegraphic service. Since the views of the opposing parties are so divergent, the prospect of a peaceful settlement is very remote. One shudders at the thought of our future. Chen Yi, being a man of little reputation, his words certainly carry no weight. It is therefore impossible for him to shoulder the great responsibility alone. Careful consideration has led him to the conclusion that the only solution is to get Kiangsu, Chekiang, Kiangsi, Hupeh, Honan and Shantung to take joint action for the purpose of actually and earnestly discussing with Yunnan, Kweichow and other provinces the question of a decision to settle the future. As the matter concerns the general situation as a whole, I beg that the Central Government should give this suggestion its support and appoint a central locality and at the same time issue telegraphic instructions to the Chiang Chuns and Governors of the provinces to send delegates to the conference. I further beg that general instructions be given in order that the question may be speedily settled. The situation is serious and every moment is precious. I respectfully beg that a decision be promptly made."

KIANGSU AND CHEKIANG.

INDEPENDENCE AND NEUTRALITY.

THE BOXER PRECEDENT.

The numerous papers in Peking are full of telegrams issued from Kiangsu, Fukien and Kiangsi in support of the loyalty of these provinces towards the Central Government. The local revolt of soldiers at Chenkiang is represented as the outcome of a few revolutionaries in military uniform to compel the telegraph office to wire a message to Peking announcing the independence of that city. The same explanation is also given of the trouble at Kiangyin, where the fort is said to have been seized by the revolutionists or revolted soldiers. The attitude of Chiang Chun Feng Kuo-chang is of course of vital importance. Some five telegrams are attributed to Nanking, in which it is stated that Chiang Chun Feng assembled the military officers in his Yamen and asked them if they were willing to uphold the Peking Government and refuse to be influenced by the revolutionists, and in this question the military officers supported their colleagues "in a unanimous voice." The second telegram mentions what purports to be the decision made at a conference of representatives of various bodies including the military and gentry, held in the Yamen of the Chiang Chun on the 10th inst. Two resolutions are said to have been passed, namely, to uphold the position of the present Chief Executive as President, and to refrain from joining the "independence movement" and to take drastic measures to prevent revolutionary activities. The telegram from Kiangsi denies the report of Reuter's Agency that Kiangsi has declared independence. So far no telegram has been reported from Chekiang but it is expected this will soon be done.

The Situation in Chekiang.

There are various reports respecting the actual situation in Chekiang so contradictory in nature that one feels like being "in the five li clouds in the air" after reading them. In one respect, however, all the Shanghai papers and reports received in Peking agree that the province as a whole is for independence, the movement being headed by the Chekiang troops. The position of the Chiang Chun and the Governor is still ambiguous, and it is also difficult to ascertain who is really in control of the situation there. According to a Shanghai report, however, the text of the telegram from Hangchow announcing the independence of Chekiang differs from what the recent mandate represents it to be. The report says, "The Military Commissioner of Sung Wu has received a telegram from Chu Yan-kuang, Governor of Chekiang, stating that the troops and people of Chekiang, for the purpose of consolidating the Republic, declared independence on the 12th inst. and elected Yang-hsing to position to act pro tem as Governor with the concurrence [illegible] of Commander-in-Chief of Chekiang on the understanding that Chekiang shall sever all connection with the Central Government. It is said that Military Commissioner Yang has forwarded the telegram to Peking for instructions." Fighting is reported to be proceeding at Fengching between the troops under Commander La Kung-wang and the Northern troops from Kashing but no report seems to be in existence what the result is that the high military officers in Kiangsu have decided on the united request of the governor and people of Kiangsu to adopt the attitude of independence and neutrality. Fengching is situated on the Shanghai-Nanking Railway, and about forty li from Kashing where the troops under General Yang Hu-cheh are stationed. It is General Yang who is said to be fighting the troops of Chekiang on the frontier. The report that Chen Chi-mei is connected with the movement of independence in Chekiang is denied by persons in Shanghai who are in close connection with the movement in the South. According to their view the Republicans in the South have quite independent of their professional revolutionists, such as Huang Hsing, Chen Chi-mei and Sun Wen. [illegible] the report of the surrender of Chen Chi-mei to Chekiang may be correct, but it is absolutely incorrect to state that he is in control of the 2nd Division stationed at Chinkiang. If any fighting has been going on in Chekiang it must be between the Chekiang troops and the Northern troops, and not between the Chekiang troops and the professional revolutionists as alleged by certain responsible papers.

Neutrality of Kiangsu.

A perusal of Shanghai papers gives evidence as regards the genuineness given to the telegrams said to have been received from Nanking. According to the Shanghai papers, pacificist and republican, Kiangsu has decided to adopt an attitude of strict neutrality. A conference was held in the Military Commissioner's Yamen on the 14th inst, and the result of the meeting was a formal notification to the foreign consular body that Shanghai would be neutral under any circumstances so as to avoid the disturbance of the peace and order of the place and its commerce. The Shanghai papers also report that from most reliable sources they learn that there would be no fighting on the Kiangsu and Chekiang border, or rather that there will be no conflict between Kiangsu and Chekiang.

Attitude of Chiang Chun Feng.

Four representatives, elected by the gentry of Shanghai on the 12th, took the train to Nanking and called on Chiang Chun Feng Kuo-chang. The mission of the representa-

tives was to persuade the Chiang Chun to adopt an attitude of neutrality to save the province from the horrors of war. The deputation returned the next day and was said to be quite satisfied with the promise of the Chiang Chun. This seems to indicate that Chiang Chun Feng Kuo-chang, although he has not shown any open opposition to the Central Government, is quite willing, temporarily to sever connection with the Central Government if the peace and order of Kiangsu is threatened by the continuance of the existing conditions. Our impression is that the meeting in the Yamen of the Military Commissioner, which resulted in the decision for neutrality, was called immediately after the visit of a certain military officer from Nanking, who is believed to have brought to Shanghai secret instructions from the Chiang Chun.

Kang Yu-wei For Neutrality.

The neutrality idea is also shared by Mr. Kang Yu-wei, leader of the Liang Chi-chao. He is reported to have sent a long telegram to the provinces of Kiangsu, Shantung, Chekiang, Kiangsi, Hupeh and Hunan, calling on them to adopt an attitude of neutrality as was done during the Boxer trouble. Mr. Kang calls attention to the danger that will doubtless result from the confusion that will arise before the question of the future government is decided and the danger of foreign intervention. Should certain quarters and suggests that a federal disposition be created in Middle China in order to be better able to maintain harmony between the North and South. Regarding the attitude of the provinces of Middle China Mr. Kang says, "some are hesitating because of their prejudice or partial loyalty; some are siding on the fence because of their idea of neutrality, some are righteously indignant but secretly swallowing their feelings because of inability to join the general movement, while others refrain from revealing the point of their gaze towards Peking because of the relationship between them and Peking." In conclusion Mr. Kang urges, "that the precedent of the year of the Boxer trouble should be followed and the south-eastern provinces should adopt the attitude of neutrality with a promise of mutual protection between the provinces. In this way a situation can be created by which the benefit of close relationship and co-operation may be secured; and when this is done, the provinces will be in a position to ask the Peking Government for concessions and approach the righteous troops of the South with offers of peace. With this one stroke the minds of the passionate soldiers and generals may be calmed and commerce and shipping will be preserved from interruption. . . ."

Political Conditions

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Peking.

No. 1305. December 13, 1916.

CONFIDENTIAL

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The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to report briefly on the general political situation:

Unfortunately, the contrasts between different parties and factions which have been previously reported upon, have become more acute as time goes on. This is particularly true of the hostility between the Kuo Min Tang, which is the chief party represented in Parliament, and the military group, known as the Pei Yang Party, which is headed by His Excellency Tuan Ch'i-jui.

The Chin Pu Tang being in the minority in Parliament has been drawn somewhat closer to the Pei Yang group, although no amalgamation has been effected. The faction of Cantonese,

Cantonese, under Liang Shih-yi, which is represented by Chu Ch'i-chien and Yeh Kung-cho, now in exile in Tientsin, is also playing a rôle and is leaning toward alliance with the military party.

Under the circumstances, opinions differ widely as to the virtues and vices of the existing Parliament. On the one hand, it is charged that Parliament has not accomplished any positive work, that it is making no headway with the discussion of the constitution, which is its principal duty, and that it has exhausted itself in matters of personal politics and in attempted impeachments of General Tuan and other high officials to whom it is opposed; also, that in the matter of appointments, its sole policy has been to embarrass the Cabinet. On the other hand, the defenders of Parliament urge that it has restrained itself, that the constitutional questions before it are of great difficulty, and that the Cabinet has not loyally cooperated by placing before Parliament legislative measures for action.

The very status of Parliament is a matter of difference of opinion. Its extra-legal character is urged by its opponents, who claim that it exists only by tolerance of the military party for the purpose of working out more feasible constitutional arrangements, and particularly of reducing the number of members in future parliaments. The adherents of Parliament claim for it a plentitude of legislative power. With respect to the constitution, the main controversy has thus far raged about the question as to whether the organization of provincial governments is to be included in the constitution. As the military

party

party and the Chin Pu Tang elements are at present in control of the majority of the provincial governors, the Kuo Min Tang elements fear that the election of a new Parliament would be managed in a way unfavorable to their party. They therefore propose the granting of a large measure of provincial autonomy, even to the election of the governors by a popular vote. This is opposed by the other parties.

With respect to personal questions, the following have been of importance: Sun Hung-yi, Minister of the Interior, aroused the decided disfavor of the Premier and most of his associates in the Cabinet by his political manipulations and his inattention to the business of his Ministry, which he seemed to regard chiefly as a place in which to provide his adherents with positions. The dismissal of Mr. Sun was urged upon the President, who, however, was reluctant to act on account of Mr. Sun's numerous following in the Parliament. The matter was complicated through opposition which had been organised against General Hsu, the Secretary of the Cabinet. General Hsu is a young official of considerable ability and readiness to take decisive action. He was General Tuan's chief adviser and assistant. In order to settle the Sun affair, the President invited His Excellency Hsu Shih-chang to come to Peking as a mediator. Through him it was arranged to satisfy all parties that Sun and General Hsu were to resign. The place of General Hsu has been taken by General Chang Kuo-~~chin~~ Kan, who belongs to the moderate military ring. Mr. Sun's position has not yet been filled, as Parliament has refused favorable action on the nominees suggested by the Premier.

As reported

As reported in my No. 1296 of the 9th instant, the appointment of Mr. Ts'ao Ju-lin as special envoy to Japan has also been made a means of opposition to the Premier.

The carrying of party differences into the field of foreign relations has had the effect of delaying the settlement of the Lao Hsi K'ai incident. The faction of Sun Hung-yi systematically instigated excitement about the Lao Hsi K'ai matter in order to embarrass Tuan's government. Parliament also refused consent to a loan of $5,000,000., negotiated by the Minister of Finance with Japanese capitalists. The necessary reference of international agreements to Parliament is naturally used by the latter in an attempt to increase its power. The danger of this situation is that parliamentary action might be determined rather by party, than by national considerations.

It is feared that at any time a complete deadlock may arise between General Tuan's Cabinet and the Parliament, leading to the demand on the part of the militarists that Parliament, being an extra-legal body, should be dissolved; and on the part of the parliamentarians that force should be met with force.

Most serious consequences would arise from such an open conflict. The Kou Min Tang leaders in the south, under the guidance of Mr. Tang Shao-yi, are little inclined to compromise. It has been reported to me from various reliable sources that they are at the present time seriously contemplating the secession of the southern provinces and the establishment of an independent government south of the Yangtze should that be any open conflict in the

in the north. They have attempted to gain over General Feng Kuo-chang, the Vice-President, to their side, apparently with the purpose of ~~building~~ rais a powerful opposition to the Pei Yang party in the north, powerful enough to overbear the military party of Tuan in a contest in which the south would then exercise the decisive influence.

The latest reports which have reached me indicate that General Feng has not committed himself to the southern Kuo Min Tang leaders, and that at the present time the secession of the southern provinces is the policy which appeals most to the Shanghai faction.

Men of moderate views in Peking believe that Tang Shao-yi should be invited to form a cabinet: in this way, unity would be preserved and a test could be made of the possibility of governing through a parliamentary party. If the experiment should be successful, Chinese unity would be saved; if not, Mr. Tang Shaoyi's leadership would be eliminated in favor of more moderate men and the danger of secession would have been avoided.

There is, however, such an air of intense mutual suspicion and fear, that the leaders of the military party are little inclined to give over the reins of power to the opposition.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

True copy of signed original
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800.

China's attitude on German Submarine Warfare.

Sub.
Rec'd. 2791
Ack.
Ans.
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Ans.

File

Peking,

No. 1390. February 14, 1917.

STRICTLY CONFIDENTIAL

710

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

Supplementing my telegrams of February 6th (1:00 p.m. and 11:00 p.m.), 7th (6:00 p.m.), 8th (12:00 p.m.), 9th (12:00 p.m.), 10th (1:00 p.m.), and 12th (4:00 p.m.), I have the honor further to report on the steps taken in connection with the instructions contained in your circular telegram of February 3rd, relating to the protest against the German policy of submarine warfare.

Upon receiving your instructions, I immediately informed the Minister for Foreign Affairs, His Excellency Dr. Wu T'ing-fang, who, being ill at present, has been represented by his son, Mr. C. C. Wu. I also immediately arranged for interviews with Their Excellencies the

President,

President, the Premier, and the Minister of Finance. During the period from February 4th to 8th, I had numerous interviews and conferences with these high officials, as well as with other members of the Cabinet.

In urging that China should associate herself with the policy and action of the American Government in this important matter, I made use of the following arguments:-

I stated that the position of the American Government was not based upon any desire to secure national profit or advantage of any kind whatsoever, at the expense of other nations, but that it identified American national action with a purpose to vindicate the fundamental rights of all nations, to protect them against further inroads and to secure the existence of a community of nations mutually respectful of their rights. From both parties of belligerents, the United States, as well as other neutrals, had been made to suffer many serious infractions of its rights; the American Government had met these with strong protests in the hope that, at the end of the war, common agreement might revindicate and give force to the rights thus disregarded. But when the wilful oversight of neutral rights went to the extent of imperiling not only neutral property, but the lives of its citizens, the American Government was obliged to take more forceful action. In this matter, the interests of China are entirely parallel to those of the United States: both nations are peaceful and see in the maintenance of international right and peaceful conditions a vital guarantee of their national safety. Through association with the United States, China would

enter

enter upon this controversy with a position consonant with every tradition and interest of her national life, a position which would have to be respected by friends and foes alike, as dictated by the highest principles which could guide national action. By taking this action, China would improve her independent standing among the nations, she would have to be consulted during the course of the controversy and at the conclusion of the war: she would, in all this, be most closely associated with that nation which she has always looked upon as peculiarly friendly and just to her. In addition to these arguments, many favorable results were discussed which China would obtain in her tactical position in international diplomacy.

Many arguments were advanced by the Chinese officials in doubt of the policy suggested: it was stated that China had not led up to a breach with Germany by Notes of protest, such as had made the action of the United States seem natural and unavoidable; Germany had of late years always been considerate in her treatment of China, a sudden breach might seem treacherous; it might also be taken by Japan as so surprising an action as to give a favorable pretext for pressing the dreaded demands of Group V. It was also apparent that the representatives of the European Allies were not in a position to give China, at the present time, any advice favorable to the action suggested.

I pointed out in turn that were the action suggested once taken by China, the representatives of the Allied Powers would have no choice but to applaud it, which some of them at least would do from the fullness of their

of their hearts. As far as Japan was concerned, the situation would be such as to indicate that that country, too, would decide to express approval of the action. Having taken a definite position on this side of the controversy, without yet entirely associating herself with the Allies, China would be in a position to command their good will; any interference with China's sovereign rights would be rendered more difficult because of the situation thus created. It was almost inconceivable that coercive action should be taken against a friend who had declared himself. Moreover, the United States having taken the initiative in inviting China to participate in the protest, it would be unlikely that any action could be taken over the head of the United States or without consulting the American Government.

As to the suddenness of the action suggested, I urged that the action of the German Government in announcing unrestricted submarine warfare was itself so astounding in its disregard of neutral rights that no action taken in reply could be considered too drastic. It was virtually a threat to kill Chinese citizens navigating certain portions of the high seas; and injury could be prevented only by taking a determined and forceful position.

I was also asked whether, should China follow the lead of the United States, it would then not be made easier for the Allies, under the leadership of Japan, to invite China to join them upon conditions laid down by Japan: I stated that I did not believe such to be the case, particularly if China closely associated herself with the policy of the United States step for step.

Early in

Early in the course of the discussions, I was informed quite positively that no action would be possible unless the American Government could give to China some sort of adequate assurance that China would be assisted in bearing the responsibilities which she might incur through taking this step, without an impairment of her sovereign rights and her national control. In my mind, I felt it as a matter of course that should China follow the lead of the American Government, the latter would not allow China to suffer in consequence the reof through lack of every possible support in helping China to bear the responsibilities assumed by her and to prevent any disastrous consequences falling upon her as a result of her action.

I also felt that quick and definite action alone could bring the results desired by the American Government; I felt that the effect upon Germany of the American protest would be enhanced by the early concurrence of important neutral powers. It also appeared to me that the first impulse, apparently present among a number of influential Chinese leaders in favor of associating themselves with the United States in this matter, would result in action only if a prompt decision could be made before all sorts of unfavorable and obstructive influences actually present could get to work. German influence itself, due to a wise course of policy towards the Chinese, has been very strong during recent years and could go far to neutralize action after the danger had once been fully realized.

When, on February 8th, it became absolutely certain that the action counseled by the American Government

could be

could be obtained in principle, but only upon definite assurances that in the event of action being taken by China the latter could count upon the support of the United States, I felt it necessary to address to the Foreign Office the Note embodied in my telegram of February 7, 6:00 p.m. I did this upon the conviction that at a time when immediate action was necessary and when I could not have your specific instructions, you would support me in action based upon the firm belief that the Government would act in a manner consonant with its position as a powerful Government in its relations with those who gave support and associated themselves in carrying through a policy of fundamental importance.

As the secret assurances given by the Chinese Government to the effect that China would "at the least break its diplomatic relations with Germany" in case "an act should be performed by the German Government which should be considered by the American Government as a sufficient cause for declaration of war between the United States and Germany" would not become operative until further action by the United States, they therefore left further opportunity open for determining the exact nature of the action to be taken by China. I stated to the Minister for Foreign Affairs, through his representative, that China found herself in a most favorable position. If she would take firm and decided action on the submarine question; and should she be induced by the American Government to follow this up with more drastic action, she had the assurances that reasonable support would not in such an event be denied her.

On February

On February 8th I had a joint final conference with the Premier, the Ministers of Finance and the Navy, and Mr. Wu. At the session of the Cabinet immediately following, the action was taken which has been reported in my telegram of February 8, 12:00 p.m. A formal notification was given to the Legations concerned on February 9th. On February 10th the entire Cabinet reported to a secret session of Parliament on the diplomatic action taken. The report was well received, only a few questions being asked dealing with the procedure followed. No vote was taken on this matter, as it was considered by way of report on action by the Cabinet within the range of its legal functions.

With regard to the results of the important action taken by the Chinese Government, as far as they have become apparent up to the present time, it may be said that in matters of internal affairs the action has been beneficial in increasing harmony among the different factions, as well as the self-respect of the Government. The fact that China has, without coercion, taken a definite stand on a momentous matter and that her choice in associating herself with another country in this step has been entirely free, has inspired the Chinese with hope for the future. They feel that in taking a position for international right, they are strengthening the forces which make for the independence of their country. Among the military leaders, the influence of Germany is very strong. Both the Premier and the Vice-President are very friendly to Germany: they admire the perfect organization which has produced the remarkable military successes of this war; they also look upon Germany as a

just

just and reasonable friend of China. Nevertheless, they have come to see that a more fundamental national interest should ally them with the international policy championed by the American Government. Accordingly, for once all important sections of public opinion are united.

As far as foreign influence and opinion are concerned, the representatives of the Allied Governments have come forward with their approval of the Chinese course of action as was to be expected. In the words of the Belgian Minister, "The air has been cleared; a weight has been lifted off China and the Powers. The stock of America has risen one hundred per cent. The Japanese Government fully realises this new factor and is governing itself accordingly."

I have the honor to enclose, for your information, copies of two despatches (Nos. 1166 and 1170) of February 7th and 9th, respectively, from the Consulate-General at Shanghai, and articles from the PEKING GAZETTE of January 22nd, February 7th, 8th, 10th, and 12th, and from the PEKING DAILY NEWS of February 7th, 8th, 10th and 12th, in which the recent diplomatic developments are discussed.

I have the honor to be, Sir,

Your obedient servant,
PAUL S. REINSCH.

Enclosures:

As stated.

710.

A true copy of the signed original.

CHINA AND THE QUESTION OF PEACE.

BY PUTNAM WEALE.

[illegible] the receipt of President Wilson's Peace Note China [illegible] the following sentiments:

[illegible], a nation traditionally pacific, has recently again reiterated her sentiments [illegible] question concerning the pacific settlement of international disputes, [illegible] the powers of the Peace Conferences held at the Hague. [illegible] the great World War, by its prolongation, has seriously affected the [illegible] of China, more or perhaps than those of other Powers which have remained [illegible] and is at present at a time of reorganization which demands economically and [illegible] the co-operation of foreign countries, a co-operation which a large number [illegible] are unable to accord on account of the war in which they are engaged. [illegible] of the extent which they bring about their efforts are on longer limited [illegible] Powers. All countries are interested in seeing wars becoming as rare as [illegible]. Consequently China cannot but share satisfaction which the views of the [illegible] people of the United States of America who declare themselves ready, [illegible] in co-operation, when the war is over, by all proper means to assure the [illegible] of the equality of treatment, wherever their power may be, and to [illegible] the peril of surprise and violence. China is ready to join her efforts with [illegible] the establishment of such results which can only be obtained through the help of all.

THE FOREIGN VIEW.

Now although fundamentally there is little to cavil at in the definition [illegible] international status which this Note implies, it is significant that the [illegible] view (by far the most general among foreign diplomats on the [illegible] hand) is that it was dictated solely by the desire to see the *status quo* [illegible] as to have available a make-weight against Japanese pressure and to [illegible] the assumption of loan-issues on the international money-market—which [illegible] is open to criticism but which in the circumstances is inevitable. For [illegible] well-speaking are convinced that beyond the primitive conceptions [illegible] international relationships outlined above Chinese vision does not and cannot [illegible] and that the unavoidable penalty is that China must remain in [illegible] a negligible quantity. Inasmuch as the fate of [illegible] hundred millions of people will be largely and radically affected by the [illegible] attitude of the Peking Government during the next few months the [illegible] proposes to discuss hereunder with the maximum freedom permissible [illegible] the columns of a neutral newspaper one small facet of the very involved [illegible] which are bound up with the question of peace, stating what in his view [illegible] important matters for this country and what utterly unimportant and [illegible], and concluding by laying down in the most absolute manner what should be done if China is to draw any political profit from the horrible nightmare of the past three years.

CHINA'S TRADITIONAL IMPOTENCY.

The first thing to write down is that mild expressions of goodwill have to-day become utterly valueless and merely irritate men who are concerned with immeasurably grave and vital issues. Unless a nation is prepared to discard all vaguenesses and come straight and earnestly to plain blunt facts, that nation internationally is not only negligible but actually invites the rude and painful surgery of modern politics. At the present moment—casting aside all evasive language—what China is doing is not to maintain her neutrality as she believes is the case since she is less able than Switzerland to mobilize and defend her territory from being made a common battle-ground; she is *merely carefully guarding and perpetuating her traditional impotency*. On this point there can be no discussion at all: it is a simple, unpalatable truth which the meanest student of international politics long ago apprehended. For whilst it may be accurate—a fact which foreigners do not seem to realize—that to the mass of the Chinese nation the various members of the European Family are undistinguishable and their present war simply a terrible fratricidal struggle, (there being little or nothing to choose between a Russian or a German,

It is that China, recognising that her unexampled man-power is a political asset of capital importance and that the throwing-open of the country would have extraordinary international results, should base her diplomacy on these things, and by offering economic advantages receive in return a valuable political *quid pro quo*. Man have to-day acquired such capital importance in Europe that Chinese are being imported for non-combatant work into Europe, both England and France exporting them in modest shipments but being prepared to receive them in immense numbers. Chinese labour in English factories is even being advocated by advanced thinkers, and if the opportunity offered of dealing in that labour by the shipload it will be rapidly drafted all over the world. So far what has occurred is derogatory to this country; although labour had become of so much capital value, it is dealt in by foreigners without the government doing more than explain that being powerless to prohibit the export of men that export must be tolerated, the government limiting itself to demanding that soldiers shall not be manufactured out of the raw product during the currency of the present struggle.

A LONDON CONFERENCE OF CHINESE MINISTERS.

Now in our view this attitude is criminal and no higher than the senseless policy of King Constantine of Greece which has resulted in an endless

...of humiliations for his country. Since the war will be decided by ...having an possible relation to Chinese action, China should take ...advantage of the demand which has arisen and not only facilitate it but make ...political capital out of it. She has already shown that her appreciation of the ...situation is growing by despatching abroad a Military Mission which will ...have its headquarters in London. What she now requires to do is to assemble ...at the earliest possible date in the British metropolis all the Chinese Ministers ...in Europe accredited to Allied and neutral countries, and to place in their ...hands the matter of exhaustively discussing politico-economic questions and ...making definite arrangements cannot be made now. China is in a position to ...exert on the world's labour-market many hundreds of thousands of Chinese ...workers through the medium of England, a vast number of whom can be ...immediately found by her by disbanding the superfluous soldiery which ...burden this country and by assembling them at ports of shipment in ...convenient loads. Vast progress can also be secured for the future if China promises ...to throw open the whole country to international trade and residence under ...Chinese police-control. In return China requires a formal undertaking that ...within a specified number of months after the conclusion of peace, a London ...Conference shall meet not merely to revise Commercial Treaties but to alter ...radically the major bar to progress in this country—namely, the Peace protocol ...of 1901 which was the death-warrant of the Manchus and which must be ...modified now that the Manchu regime has irrevocably disappeared. If this ...definite undertaking can be secured from Great Britain that she pledges ...herself to secure that the system of Boxer indemnities is turned into a Funded ...Chinese Debt on the European model, to be extinguished solely by the ...operation of a Sinking Fund, China's lost financial equilibrium will be largely ...restored and the menace of a Debt Commission removed. To win this ...concession any price is worth paying to-day; and if the present opportunity is ...let slip it will be the worst mistake any government has ever made. Among ...the Chinese Ministers now in Europe are intelligent men, who if grouped in ...London for a few weeks in a common council and brought into direct relations ...with Mr. Lloyd George's War Cabinet, will undoubtedly be able to make ...arrangements of a far-reaching and important character.

THE TIME TO ACT.

NOW IS THE TIME TO ACT—NOW OR NEVER. The rapid approach of peace, not as a result of the direct peace overtures made in various quarters but from attrition i.e. from a wearing-down to vanishing point of all those elements which contribute to the making of modern war—this rapid approach will be patent to everybody within very few months. A highly valuable set of facts are now available which prove that the war is not only in its last stages but may end before 1st November. It is incumbent on the Chinese Government to decide what action should be taken in the given circumstances and how it will be possible to make capital out of a state of affairs vastly different from that which existed before. There can no longer be any doubt that the kind of world which existed before the year 1914 has disappeared never to return, and that almost the only region where this fact remains totally unappreciated is China. If this country is not to be made the sport of destiny in 1918, it is now—in the Spring of 1917—that a decision must be recorded. The only way for China to escape from the vicious circle of international diplomacy in Peking is TO TRANSFER ALL IMPORTANT NEGOTIATIONS TO LONDON where she will have the support of a vast and highly intelligent public opinion. Until she does that she cannot improve in the slightest particular her present grievously low and melancholy international standing which chafes on the shoulders of every man as though it were the stigma of disgrace and which if it is not removed will end by ruining her.

...ES OF AMERICA: AND ITS MEANING TO CHINA.

BY PUTNAM WEALE.

...to the following article Mr. Putnam Weale must of course be ... as expressing his own personal views. In a few days we ... to be in a position to state the Chinese view of the momentous ... raised by the decision of the United States to sever diplomatic ... with Germany. In the meantime we may state that the ... action is powerfully influencing Chinese political thought on ... objects of the war: Editor, "Peking Gazette."

The dissuading action of the American Government in the face of ... such as has not been offered to the United States since the days of ... Napoleonic wars—when a similar attempt was made to coerce America ... into open obedience to alien decrees—should be the last argument ... to convince China that the European struggle is a fight to a finish ... everyone who is not on the side of the victors will be counted as ... of the vanquished. The voice of America is a powerful voice because ... United States is the dominant power on a vast and immeasurably strong ... continent containing resources beyond the dreams of avarice ... sufficient to themselves to feed even a world-war to the crack of ... By ranging herself definitely on the side of those who are determined ... for all to uphold the Public Law of Europe in such a way that a ... of the history of the past three years will be an impossibility, ... has once more been true to herself as she has indeed always been true ... best traditions of history. American action, conditioned by ... powerful sentiment of altruism, will be held by future historians to ... of the supreme things of the period 1914-1917, a decisive thing in the ... of freedom, a big thing in the sea-war, and a beacon to guide lesser nations ... a heavy responsibility. It is impossible any longer to disguise the fact that ... the belligerency of a power 3000 miles removed from the ... capable of war may not in a military sense be decisive, the moral ... will be so immeasurably great as to seal the fate of those who have ... guilty of violating those sanctions on which western civilization rests.

The question before China can now be stated very laconically. It is simply this: Is this country to remain without a Foreign Policy when every ... demands that it should have one; or are the Chinese to-day big enough ... a nation to realize that if action is taken without undue delay not only will ... future work of government be immeasurably simplified but a new ... established with the outer world? We have already repeated all ... own arguments so constantly in the columns of this newspaper that it ... be a work of supererogation to return to them to-day. One thing and ... thing only we have to add: that no possible harm can come to this ... if it follows the American precedent, provided that careful soundings ... taken in Europe to secure that proper guarantees are forthcoming. We ... that the moment has come to borrow the wise expedient used in China ... the Empire in times of crisis—namely, the Council before the Throne. ... urgently needs a definite Foreign Policy, properly formulated and ... carried out; without such a Foreign Policy, even a good and work... Constitution will prove valueless. She needs to assemble at the earliest ... moment a grand conference of her notables to decide what guarantees ... must ask of the Powers who desire her intervention, since once she has ... guarantees she will be secured against surprises. As matters ... to-day China's future position is not happy. She has ... believed that the war was to be a drawn war and that 1918 or ... would bring things back in the Far East to much where they were ... 1914, allowing her to resume her old rating. She has consistently ... herself with vaguenesses—she has refused to think in the hard, ... terms which reality demands. Basing her attitude on a negative

China, namely her present immoderate fear of Japan, she has arrived at the negation of policy which is exemplified in her belief that she is a neutral Power with all a neutral's rights and privileges, when the very first attribute of neutrality—the power, willingness and fortitude to protect your own territory and resist overt acts of war within that territory were publicly surrendered in Shantung in August 1914.

If a masculine act has been taken in Washington, honour demands that another be taken in Peking. Time is fast passing away and what is practicable to-day will be unfeasible to-morrow.

China must abate her immoderate fear of Japan and acknowledge that what has saved her in the past from exploitation and subjection will just as infallibly save her in the future. It was England who intervened in the Summer of 1913 when Japanese warships crammed with marines lay off Nanking and were prepared to wreak vengeance on the country for the slaughter of Japanese civilians by Chang Hsun's soldiery. It was again England in the Spring of 1915 who killed Group V. of the Twenty-one Demands which, had it not been for Viscount Grey, would have been forced in their entirety upon the country, or the sword driven through her. England did not act from high altruism in these matters; England acted because policy demanded it of her, and her press supported her. These are the realities of the international situation—the vital things to-day as yesterday. These things should be guides. For China to go on living in her own dream-world, imagining that her own innocent arguments and contrivances will, when peace comes, avail her anything in the great European arena where men go down to die by millions in madness. She must make terms, discuss, discover, now; and when she sees where she stands, she must act. It is the broad wisdom of the market-place she must apply—abandoning and forgetting the little maxims of a prudence which belongs to a world that has already disappeared.

THE PEKING DAILY NEWS.
7th February, 1917.

THE GERMAN-AMERICAN RUPTURE.

How Stands China?

Meetings in President's Office.

The President summoned the Prime Minister to his Office early on Monday morning and held a very confidential meeting. Owing to strict precautions taken no particulars regarding the meeting can be obtained; but it is understood that the meeting discussed the possible consequences of America's severance of relations with Germany and the attitude which China should now adopt.

The discussions were continued at a meeting held in the President's Office at 5 p.m. of the same day which lasted till late in the night.

Another urgent meeting was held in the President's Office yesterday morning.

Dr. Reinsch Interviews the President.

At 4 p.m. on Monday, Dr. Reinsch, accompanied by Dr. C. D. Tenney, visited the President's Office and had an audience with the President. The conversation lasted an hour and a half. It is learned that the object of Dr. Reinsch's visit was to report on the circumstances which compelled the United States to sever relations with Germany. Other particulars of the conversation could not be obtained.

Current Reports.

A report was current yesterday evening to the effect that the German Minister had called upon the Prime Minister, General Tuan Chi-jui, and on Dr. Wu Ting-fang, Minister of Foreign Affairs, inquiring whether China would join the United States in breaking off diplomatic relations with Germany and Austria-Hungary over the submarine issue, and had been informed that China would remain neutral. We learn that this report is unwarranted.

Persistent rumours were also in circulation last evening that Japan was doing her utmost to prevent China from joining the United States. Attempts were made in vain to confirm the rumours.

A Cabinet Meeting.

It is said that at the Cabinet meeting held on Monday the Minister of Agriculture and Commerce was in favour of China's following the example of the United States and declaring a diplomatic breach with Germany because of the announcement of the German Government to carry out unrestricted submarine warfare. The majority of the Ministers, however, declared themselves against the proposal to join the United States. But no decision was reached, and another meeting, it is understood, was held yesterday. More Cabinet meetings will be held either to-day or to-morrow.

Taking Advice.

The Government is soliciting the views of Chinese diplomatists and its foreign advisers on the question. Upon inquiry in several high quarters it is learned that the views of China's leaders on the grave issue are strongly divided.

Exchange of opinions amongst the high officials is going on. Leaders of Parliament are in favour of China's supporting the action of the United States, although they prefer to leave this grave question to the decision of the Government. The Prime Minister, somewhat, is puzzled, being unable to shape his foreign policy regarding the new development.

Chinese Press Comment.

The "*Kung Yen Pao*" comments on the new situation as follows:—

"The severance of diplomatic relations between the United States and Germany presents a difficult problem for our Government to solve. The solution of this problem should be of deep interest to our people.

"Germany's determination to carry out an energetic blockade affects the interests of all neutral countries, and thus it affects this country, which is one of the neutral countries.

"As soon as definite news regarding America's rupture reached Peking, the Foreign Office bestirred itself in making preparations to meet the new situation. At seven o'clock on Monday morning, an urgent meeting was held in the President's Office, at which all Ministers were present. The possible outcome of the new situation was considered, as well as the way in which the issue will affect this country. The meeting thoroughly discussed the attitude which China should take in this matter. The result of the deliberations is not yet known, nor is it advisable to make it public.

"We learn that both Great Britain and France intend to ask China to follow the example of the United States. If this be true, the issue will have far-reaching effects on the future of this country. The matter is of the most grave nature and our Government should be very cautious about it. The Government should do its best to find a good solution of the problem.

"Another question which interests us is whether the rupture of American-German relations will hasten or delay the end of the European War. We cannot predict anything just yet. We will wait and see."

The "*Shuntien Shih Pao*," a Japanese organ, comments as follows:—

"The United States in severing diplomatic relations with Germany have set an example to all other neutral countries. It is quite possible that all other neutral countries in the world will follow America's lead. Therefore the question whether China should follow the example of America and join the Allies is most interesting. The time is too early, so we do not venture to express any definite opinion regarding this question.

"One of the consequences of the new situation is the complete isolation of the German Legation and firms in China. Hitherto the German Legation and firms communicated with their Fatherland via America. Now these facilities are cut off and the Germans in China are helpless. The German Minister in Peking will not be able to get instructions from his Government, and his Legation is now in the same condition as the German ships interned in New York harbour."

A Message from Washington.

Dr. Wellington Koo, the Chinese Minister at Washington, has sent two long telegrams to the Government about the American crisis. The exact details of the telegrams are unknown, but it is reported that Mr. Koo made some suggestions regarding the attitude to be adopted by the Chinese Government. Among other things, he is said to have mentioned that there were several hundreds of Chinese labourers now on the way to Europe and if the energetic submarine policy now announced by Germany were put into effect, and the steamers carrying the labourers were sunk, there would be loss of Chinese lives. This is one of the ways in which the new submarine policy of Germany directly affects Chinese interests.

Mr. Koo's first telegram touched on the following four topics:—(1) The meetings at the Office of President Wilson: (2) The meetings of the American Congress: (3) The attitude of the American people: (4) Comments of American newspapers.

The Cabinet meetings held on Monday and yesterday took up for discussion the suggestions contained in Mr. Koo's telegrams. Besides the Prime Minister and all the other Ministers, Messrs. Lu Cheng-hsiang, Tsao Yu-ling, and Wang Ta-hsieh were also present at the urgent meetings in the capacity of Diplomatic Advisors.

THE GERMAN-AMERICAN QUESTION

The Cabinet Holds Special Meetings.

Two long special meetings have been held by the Cabinet, one on Tuesday and one yesterday. Yesterday's meeting lasted from 10 a.m. till 2 p.m., after which the Premier and all the Cabinet Ministers proceeded to the President's Office and reported the decision of the Cabinet. The utmost secrecy is observed respecting the decision, but it is understood that the only subject discussed was the German-American situation. Much speculation is going on as to whether or not China will accept the invitation of President Wilson to join the protest against the submarine warfare. There is little doubt, however, that diplomatic pressure is being brought to bear on the Government either to join the Allies or the United States of America. The decision of the Cabinet is therefore momentous. The actual state of affairs can, however, be approximately gauged by the proceedings in the Senate this afternoon. If China decides to join either the Allies or America there is no doubt that Parliament will first be consulted. In certain circles it is believed that a section of the Cabinet is opposed to the idea of doing anything at all.

WILL CHINA BREAK WITH GERMANY?

SEVERANCE OF DIPLOMATIC RELATIONS URGED BY INFLUENTIAL POLITICAL LEADERS.

If press hints is not any indication, there is a strong sentiment among political leaders in favour of severance of diplomatic relations with Germany as a protest against the latter's latest submarine policy. As yet no action has been reached by the Government, although long and urgent Cabinet meetings have been held to discuss the question. The Cabinet is divided on the question, and is waiting for further developments.

The *Min Kuo Jih Pao* reports that on receipt of a note from the American Legation and two telegrams from the Chinese Minister at Washington concerning the German Ambassador's departure on Monday, the Hon. Wu Ting-fang called a special diplomatic conference on the same day to discuss the question. No definite resolution seems to have been reached on that day nor on Tuesday when the whole situation which was considered too serious for ordinary Cabinet meetings was discussed. Premier Tuan Chi-jui, Admiral Chen Pi-kwang, Minister of Navy, and Mr. Foo Yuan-hsu, Minister of Education, belong to the latter group, while Dr Wu Ting-fang, Mr. Chow Chih-tao, Minister of Finance, and Mr. Kao Chung-hsin, Minister of Agriculture and Commerce, are in favour of immediate action. Mr. Chang Yao-chang, Minister of Justice, is reported to be standing on the fence. The President will hold a special conference in his Office, to which most of his diplomatic advisers such as Messrs. Wang Ta-hsieh, Lu Chen-hsiang and others will be invited to attend. The Government is reported to have despatched special delegates to ascertain the views of some of the prominent party leaders now residing in Tientsin on the subject and it is understood that Messrs. Hsu Shih-chang, Hsiung Hsi-ling and Liang Chi-chao have informed the Government that while it is incumbent upon this country to follow the example of America by declaring a diplomatic rupture with the Central Powers, they consider it wise for the Government to refrain from hasty action. Dr. Sun is said to have expressed a more decisive opinion on the severance of diplomatic relations with the Teutonic Allies. Mr. Wang Ching-wei, a close friend of Dr. Sun Yat-sen, is in Peking.

Chinese Interests Involved.

The Government views the recent German declaration to the United States and other neutral countries with gravity, as it may seriously affect the interests of this country. It is therefore of the Government that as the Germans have declared forfeiture of any ship found in the barred zone without regard to her and cargo it will endeavour the safety of Chinese going to England and France.

Government Induced to Abandon Neutrality.

The *Min Kuo Jih Pao* believes that the Government will soon make [illegible] its attitude towards the German-American rupture. In a few days, the paper suggests a formal and definite declaration from the Government. Considerable pressure is being brought to bear upon this country by the English and French to join the Entente in the war, reports the paper. The American Minister is reported to have been consulted and it is pointed out that it is not the business of the United States alone but an international duty common to all neutral countries to declare an emphatic protest against the present submarine war. The hope is expressed by the American Minister that the example set by the United States will be followed by China as well as neutral countries so as to terminate the war in favour of an early date. The opposition for an early abandonment of the neutrality by the Government is not, however, confined to a few foreign legations in the Capital. A number of the foreign advisers employed by the Government have expressed similar views to Americans at an early moment. In the face of these circumstances, the Government so far has, however, remained silent. According to a certain authority the Government will not take any decisive action until it first addresses a note to the German Government, protesting against the ruthless submarine war and advising the withdrawal of the declaration. When this fails to obtain satisfaction or if the advice is ignored by Germany, the Government will then make a definite declaration of its attitude towards the Central Powers.

...GERMANY OVER SUBMARINE ISSUE BRINGS UP ... QUESTION. Specially Written ... by Five Representative Writers

AN AMERICAN VIEW.

By A Representative American.

President Wilson's severance of diplomatic relations with Germany meets with the approval of all Americans. It came after two years' patient effort on behalf of neutral shipping. It was not a hurried act, but one absolutely forced upon Mr. Wilson by Germany's refusal to respect the rights of neutrals.

The United States could no longer continue diplomatic relations with Germany without dishonour. The United States cannot permit its commerce to be driven from the seas; cannot permit its citizens to be bombed by submarines, because Europe is at war and Germany has the misfortune to be without a sufficient navy to cope with its enemy.

For All Neutrals.

President Wilson's cutting of diplomatic relations is a stroke in defence of all neutral nations. It is a blow hit on behalf of peace and humanity. After calm and deliberate negotiations, extending over many months, Mr. Wilson found that more drastic measures must be resorted to. He stands with Congress and the American people unanimously behind him, ready to make war if such be necessary to protect the rights of neutral nations.

While President Wilson's action may result in war, it is primarily a peace movement. Any war activities provoked by his firm announcement to Germany will hasten the speedy settlement of the issues which are now being fought out in the European battlefield. When President Wilson spoke, he spoke on behalf of Holland, Spain, Norway, Sweden, China and the South American Republics just as much as for the United States.

Unthinking people declare that international law no longer exists; that all treaties of the past are mere scraps of paper; that international agreements stand for naught. Nothing could be more untrue. Nations must be honest and just with each other, just as much as individuals. The great underlying principles of international relations are only temporarily concealed by the battle smoke of Europe.

Peace not Far Distant.

Peace is not far distant. President Wilson's action has brought it much closer than many persons imagine. The conferences which will follow this great world war will simplify and extend the rules of international relations which have heretofore existed. Nations which have taken no hand in the war will have little voice in framing laws which will remove many of the causes of international friction and make mighty conflicts impossible in the future.

Brazil has apparently decided to stand with the United States in resisting the German effort to force neutrals from the seas. Chile and Argentine will doubtless follow speedily in the footsteps of their great South American neighbour. While the small neutral nations adjacent to Germany may be unable to join immediately with the United States because of the terrible physical danger which confronts them, their sympathy with the movement is known to the whole world.

The Position of China.

China will doubtless be amongst the first republics to stand with the United States in its protest against the abrogation of the rights of neutrals. Without a voice in the peace conference following the present war, China's position would be hopeless. Unlike most other neutrals, China has territorial rights at stake in the present struggle. The balance of power in the Far East, which has long been China's protection, is threatened by the great struggle that is now going on, and the very life of the Republic depends on the peace terms which will make it possible for nations to exist without great military and naval strength.

It is not inconceivable that the present war may end all international war. It may bring about limitations upon armies and navies which will confine them to legitimate uses. Such an adjustment of fighting strength will almost certainly come out of the peace conference participated in by non-European nations which share none of the bitterness engendered by European politics.

A CHINESE VIEW.

By Wei Yih.

(The well known Translator of about fifty English Classics.)

Should the United States go to war with Germany, China will have to join her. I am inclined to think that China will now have to declare a breach of diplomatic relations

...ing the Germans. On the contrary we admire their bravery and their patriotism and their organising power. Not because Germany's unrestricted submarine warfare would affect our maritime commerce, for we have no merchant marine. But because we must forestall foreign aggression.

Distrust of Japan.

Necessity impels China to deviate from the path of peace pursued by her ancient rulers for centuries. She is in a more critical position now than we can possibly imagine. Japan is by no means friendly to us, no matter how profusely she may declare her love for China and her anxiety for the preservation of our territorial integrity. I may be mistaken about it, and I hope I am, because we want Japan's friendship more than the friendship of any other country *if it is genuine.*

Since the beginning of the European War, the United States, although giving us no material assistance, have not been slow in according us moral support. As long as she is not involved in the Great War, no alien country dare encroach upon our territory too openly. Once the United States are occupied with the great task of fighting Germany, there is no telling what will befall China.

Danger and Advantage.

It is dangerous for China to join the United States. In the first place, Germany will be offended, and in future if there is any chance she will get even with us. But there is also advantage for China. That is, after the war, China can claim a seat in the peace conference, to which claim, no nation could then object. At the peace conference, China can initiate the discussion of such questions as preservation of China's territorial integrity, the international guarantee of the "Open Door Policy," the Kiaochow question, and similar issues; and it is certain that with an able representative at the conference, our country will be able to get much.

If I were in Germany's position, I would carry out unrestricted submarine warfare. Germany has offered peace to the Allies, and the Allies have declined to consider her offer, which means that unless Germany is brought to her knees there will be no peace. To the Germans it is a question of death or liberty. Germany must be conscious of the consequence of unrestricted submarine warfare, but she cannot clearly see what danger is ahead, her vision being clouded for the time being. The submarine is Germany's powerful weapon. It is reported that she has recently completed the building of 500 submarines. She seems to have decided to use that powerful weapon to ward off the blows that aim at her life and to kill as many human beings as possible before ominous fate befalls her. The Allied countries are now waging a war of exhaustion, and they will be in a better position to do it once the United States, which is the wealthiest country in the world, throw their financial resources on their side. It is rather ...

...that we had better join the Allies to "beat the dead tiger," but our future is imperilled.

Self-Preservation not Selfishness

We do not want to play the part of Roumania, which country saw an opportunity to secure territory and so declared war against Germany. What we aim at is the preservation of China from further encroachment of alien countries, which is bound to come if China remains neutral after the United States has declared a diplomatic breach with Germany. When the whole world is against Germany, the neutrality of China may be interpreted in a different sense. A time may come when the Allies will declare that those who are not with them are against them. Japan may find in such declaration an opportunity to take care of China. Assuming that Japan is truly friendly to China—we hope that she is!—there are more reasons for China to join the Allies and make war in common with the Allies of Japan.

The time has come when we are required to risk our luck one way or the other. It is useless, and positively dangerous, for China to be undecided about this grave issue. If we want to act, we must act at once.

A JAPANESE VIEW

By A Japanese Journalist

My advice to China and the Chinese people is that they should join the United States in declaring a breach of diplomatic relations with Germany over the grave submarine issue. Most of the Japanese agree with this view of mine. When the Allied countries proposed to China two years ago that she should join them and make the Great War a common cause, Japan raised objections. Still there were reasons for such objections, which I will discuss at once. At present, Japan, so far as I know, is in favour of China's association with the Allied countries, for the general situation has completely changed.

Former Proposals.

At the beginning of the European War, China followed the example of all the neutral nations and declared neutrality. Eighteen months ago the Allied countries made overtures to China that she make common cause with them. The proposal was made at the time when Yuan Shih-k'ai, the late President of China, wanted to convert the Republican form of Government into a monarchy. As he was anxious to secure recognition from all the Powers for his monarchical government, he was not indisposed towards the idea of China's acceptance of the proposal made by the Allies in exchange for recognition of his new government.

The Japanese Government, however, objected to the proposal of the allied countries on several grounds. In the first place, China had been having enough trouble at home. The whole country rose in rebellion against Yuan Shih-k'ai for his imperial ambition. Should China accept the proposal

people would raise a strong [illegible] against the exchange of China's [illegible] in the war for the establishment of [illegible] of her own Government. Should there be any more trouble for China. Besides, with the country torn asunder, the Germans residing in China would find more opportunities for injuring the interests of China, which would at once raise an acute diplomatic question. In short, the time for China to join the Allies had no come during Yuan Shih-k'ai's régime.

Some foreigners misunderstood the purpose of Japan in objecting to the proposal of the Allied countries. The explanations given above ought to shed needed light on the question. At that time Japan did not wish China to make war in common with the Allies, but now she welcomes China's adhesion to the allied cause. There seems to be inconsistency, but Japan is quite consistent in her policy dictated by expediencies.

New Circumstances.

At this very moment, the question whether China should join the United States or not comes up for serious consideration. It comes up under entirely different circumstances. The answer to this question is easy: Follow the example of the United States. The day before yesterday a special Cabinet meeting was held in Peking to consider the re-shaping of China's foreign policy which is necessary as a result of the new development. Although nothing has been decided, I am of the opinion that China should co-operate with the United States by declaring a diplomatic breach with Germany.

I know that all the Allied countries would welcome China's entrance into the war on their side. I know that Japan welcomes it. The situation has been changed, and that is why Japan would not object to China's making the European War a common cause. Formerly China wanted to join the Allies with a view to securing their recognition of the monarchical Government which Yuan Shih-k'ai proposed to establish. Should China join the war now, she would hasten the coming of peace.

Consult Japan.

Some Chinese officials are anxious about the future trouble which Germany may make, in case China follows the example of the United States by breaking off diplomatic relations with that country. But in my opinion, before doing anything, China should talk this grave matter over with the Japanese Government. For, after a frank discussion of the situation, Japan will assume a sort of responsibility to China should Germany seek an opportunity for revenge. To be sure, the Allied countries would be willing to help China after the war, but they would not be in a position to aid China in the military sense, for they would be exhausted by the end of the war. Japan, however, will render China armed assistance, if China, before deciding what action she would take, consults the Japanese Government.

In view of the friendly relations recently manifested between China and Japan, I think it is wise for China to talk the matter over with Japan. Joint action between these two countries is advisable under the present circumstances.

A BRITISH VIEW.

By William R. Giles.

[illegible] let all who fall [illegible] your hands be [illegible] your enemy"; just as the Huns a thousand years ago under the leadership of Attila gained a reputation in virtue of which they still live in historical tradition, so may the name of Germany become known in such a manner in China that no Chinaman will ever again even dare to look askance at a German."—*German Emperor's exhortation to German Troops before coming to China 1900.*

By following America's lead in joining the Allies against the Central Powers, China will secure a place in the comity of nations which she has not hitherto enjoyed, and from which she will secure great and lasting advantages. First and foremost, by joining America in her fight against barbarism and [illegible] China will secure a seat at the peace conference, a thing of vital importance to her future relations with the world Powers and her standing as a nation; for, when the peace conference take place, matters pertaining to China and the Far East are bound to come up for discussion. Unless China has a voice in this final settlement not only will her side of the question be unrepresented, but remembering China's refusal to join them when given the opportunity, no compunction will be felt in settling questions to their own advantage and without any consideration for China's. It will be understood that if China is not for the Allies she is against them.

Cash Advantage to China.

Besides the above there are other advantages which would accrue to China. At the present moment Germany's share of the Boxer Indemnity amounts to about $135,000,000 and Austria's $6,000,000 making a total of $141,000,000. In the case of China declaring war on Germany this would naturally revert to China, whereas in the event of China not becoming one of the belligerents there is every possibility that the Allies will insist that Germany should hand over this indemnity to them in part payment of their own war claims. On the other hand, should China elect to join the Allies, the annual instalments which China has now to pay to Germany would form the security for a loan of a hundred million dollars, a sum of money which would come in very useful to China at the present juncture. At the present time China is paying Germany on account of railway and other loans about £6,000 per DAY and for the Boxer Indemnity about £2,000 per DAY. Should China declare war on Germany, the former sum would be held up for an indefinite period, while the latter would be cancelled.

The Treaty Aspect.

Another great advantage which China would secure is in connexion with the treaties existing between her and Germany. Many of these were secured at the point of the

who could negotiate these treaties and make some advantageous ones after the war, feeling sure that she could receive the support of the Entente Allies.

Commerce and Industry.

From a commercial and industrial point of view China would also receive great advantage. Up to the present China has lost instead of making money out of the European conflict; whereas America has become the centre of the World's gold supply, and Japan had reached so strong a finance al position that she is able to lend money to the belligerent nations in large sums. By entering the war, China will be enabled to secure a share in the plums which fall from the rich man's tree, and will, in all probability, be started on the road of industrial expansion at the cost of outside nations.

American Protection.

Numerous other points could be brought up but the word limit allowed by the Editor does not permit of them being included. Why China is hesitating to join America in her stand for civilization and freedom it is difficult to understand. China has nothing to fear. Being invited to join the Allies by America she naturally comes in under American protection and guarantee and that being the case China has nothing to fear, for America will undoubtedly see that China secures her just due when the final settlement is made.

A GERMAN VIEW.

By a Representative of the German Press in Peking.

Yesterday were reported numerous arrivals of the President and ministers. Details have so far not become public. Rumour has it, that the deliberations were for the formulation of China's policy in the American-German unpleasantness. It is also said that the representatives of the Entente Powers, especially Britain and France, had advised China to adopt the American policy, to sever diplomatic relations and perhaps to declare war on Germany.

It is hard to surmise what China's policies will be. No doubt should exist, however, that a sovereign state, a large Power, will not decide questions of foreign policy under the instructions of other, especially interested, nations, but will carefully consider the question from all sides and decide on those policies that best serve her own interests. A careful analysis of all matters leading to the present state of affairs seems inevitable.

The Origin of the Issue.

Germany and England have been at war since August 1914. England's part in the war was mainly the maintenance of a blockade. Since early in 1915 this blockade has been extended to enclose the entire North Sea. As this body of water washes not only the shores of Germany, but also the shores of neutral countries, such as Holland, Denmark and Norway, this blockade was clearly illegal, also prohibited all commerce in foodstuffs, hoping thereby to starve Germany's non-combatant population, women and children. This also is an illegal measure, as international law prohibits every hostile act against non-combatants. This British blockade lacked one other condition of legitimacy; it was not effective. International law prescribes, that a blockade, to be legal, must be effective. The British fleet was never able to guard the North Sea and confined itself merely to guarding the entries thereto. It was not able to prevent marine traffic between Germany, Holland and Norway, and was therefore contrary to accepted law.

Nevertheless, none of the affected neutrals ever protested against England's lawless acts. Only the United States and a few others addressed extremely mild protests to England, quite satisfied that England should pay no heed to these protests and pay no further attention to them. And when this blockade was gradually tightened, when neutral ships were illegally compelled to enter British ports there to be searched and have their goods confiscated, when neutrals were interdicted from carrying on lawful trade by the threat of blacklisting, these neutrals submitted to British dictation.

To combat this illegal blockade, Germany had a good weapon. The sinking of all enemy shipping, as well as that of neutrals carrying contraband, by her submarines. As Britain disregarded all law, it would have been perfectly proper for Germany to do the same. However she did not. International law has no prescriptions regulating submarine activity. Germany therefore was justified in sinking, without warning, all enemy or neutral shipping carrying contraband, especially as the Allies throughout the war sunk the Central Powers' ships, notably in the Mediterranean and in the Black Sea, without warning. Popular opinion in the United States becoming very excited about several ships sunk, Germany, in consideration of her historically friendly relations to America, promised henceforth to give warning to all ships to be sunk, reserving the right, however, to reconsider her promise in case neutrals should fail to make Britain, on her part, return to the law. By this promise, Germany in reality tied her right hand, as the Allies armed their merchant vessels and resisted the practice of visit and search. It became therefore impossible to prevent shipments of contraband reaching British shores. Neutrals, on the other hand, were unable to induce Britain to discontinue her lawless blockade, and more than that, could not even keep Britain from committing a new and flagrant breach of the law, the mining of the open sea between Hornsriff and Terschelling, interrupting communications between Holland and Denmark.

Peace Refused.

Germany and her Allies, victorious on land everywhere, offered peace proposals, as was warmly seconded by President Wilson. The Allies bluntly refused, claiming that they would fight to the complete subjugation of the Central Powers, promising them utter destruction. Germany has now resolved to finish the war as early a date as possible, realizing the fruitlessness of her patient waiting for neutrals to bring a discontinuation of Britain's lawlessness, and having experienced the rebuff to her peace offer.

The Central Powers have now described a war zone around England, France and Italy. They have declared a blockade and announced they would object to shipping in these barred zones of blockade. The blockade is absolutely legal, provided that it be an effective blockade, and the German Chancellor has declared that the means for an effective blockade are at hand.

Blockade Inaugurated.

Beyond all reasonable doubt, this blockade of England, France and Italy will hasten the end of the war. As a war measure it is no whit more inconsiderate than Britain's blockade of starvation, maintained against Germany, and will accord to the Central Powers the laurel of victory. Britain cannot live without imports, still less can France or Italy, and above all neither can wage war without very extensive shipments of fighting material, least of all Russia. Reuter tells us that Germany sealed her doom by this blockade, which is about like saying to man, who is fighting a dagger-armed assassin with his bare fist: "You are lost if you use a revolver." And when Reuter expresses the hope that the United States fleet jointly with the British will give safe conduct to their merchantmen, we would remind him, that Britain so far has never dared to give such safe conduct. If the United States are so foolish as to sacrifice their fleet, (what a joy that would be to Japan!) so much the worse for the United States. There is so far no antidotal measure against mines and submarines, and neither Jules Verne nor H. G. Wells is likely to invent one.

China and Germany.

Why should China wish to lay obstacles in Germany's way? It might be good politics, if China derived any benefit from a prolongation of the war. But, as the Chinese answer to Mr. Wilson said, China suffers perhaps more severely from the war then any other neutral. It should therefore be China's policy to advance any measure having a tendency to shorten the war.

Again, China might have reasons to block Germany, if it could be in her interest to prevent an Allies' defeat. Are the Allies China's friends? Read the country's history for the last few years, and see who it was that ever and again sacrificed China. Who violated China's sovereign rights in the Laoshikai scandal? France! And who prevented an honest and fair settlement of the same question? England, always England! Who is willing to sell the whole of China right now, if it would enable but one soldier to be sent to the front in Europe? England, of course! Should China risk her own future for the sake of such friends? Should China endanger her relations with Germany, who has never harmed her, but has always been her friend?

Who are China's Friends?

A superficial perusal of history will show the worth of those counsellors, who are the very same ones who induced Yuan Shih-k'ai to make himself Emperor by promising to place themselves like a wall between China and her enemies. Whither led those counsels? To the downfall of Yuan Shih-kai and to China's impotency. Yuan Shih-k'ai's fate should be a solemn warning to the powers that be. The Entente would not move a finger to assist China if they should succeed in getting her to enter the war, precisely as they failed in the cases of Belgium, Serbia, Montenegro and Rumania.

Rather than follow the example set by these seduced and abandoned countries, China should be influenced by the attitude of the greater neutral European countries, Holland, Denmark, Sweden, Norway and Switzerland. All of these have acquiesced in the German blockade measures. The largest and most influential newspapers, the Dutch "*Nieuwe Courant*," the Danish "*National Tidende*," the Norwegian "*Aftenposten*," the Swedish "*Aftonbladet*," the Stockholm "*Dagblad*" with the Swiss "*Bremer Intelligenzblatt*," "*Berner Tageblatt*" and "*Baseler Anzeiger*" declare unanimously: "The German blockade is the logical outcome of the refusal of German offers of peace; legally it has at least as much justification as the British mine-blockade in the North Sea to which no neutral has offered protest. The blockade will make hardships for those vessels which are forced to touch at English ports against their own will, but the time of high tension cannot last long, and at all events will bring peace sooner than all offers of mediation. Neutrals should remain cool, and tranquilly await the coming events."

This reasonable advice fits China as well as it does Europe's neutrals.

The Peking Daily News.

THURSDAY, 8TH FEBRUARY, 1917.

WHAT SHOULD CHINA DO?

On another page we publish a series of articles on the problem with which China is faced at the present moment as the result of the communication to the Chinese Government of President WILSON's Note to neutrals suggesting that they can best serve the cause of peace by following the example of the United States and severing diplomatic relations with Germany. It is obvious that we do not identify ourselves with the opinions of our contributors, for those opinions are naturally, inevitably, widely at variance with each other. The responsibility for the opinions expressed lies with our contributors. The part we play is simply that of placing these opinions before the public in Peking and China so that all who read the English language may judge for themselves what the issues are, as those issues are seen by men of varying nationality and widely differing temperament. In this connexion we have but one word to add, and that is that we have done our best to get truly representative views. In those cases where there is anonymity there is good reason for it but behind the anonymity lies a personality in close touch with affairs accustomed to interpret public opinion, and to contribute to its guidance. We doubt whether it would be possible in Peking to secure a more truly representative quintette than the one contributing to this symposium.

There is a good deal of confusion in the public mind as to exactly what are the issues before China at this juncture. There is talk about "joining the Allies," "following the lead of the United States," and "joining the United States and the Entente." Loose talk of this kind is dangerous. Let us understand clearly what the issue is or the issues are. In the midst of a good deal of confusion there are three concrete facts: (1) the United States have broken off diplomatic relations with Germany and (2) communicated this fact to China, adding (3) the expression of President WILSON's opinion that the interests of peace will best be served by a similar course of action on the part of other neutrals. Virtually this amounts to an invitation to China to follow the example of the United States. That is all China is asked to do by President WILSON. Her answer may be either "Yes" or "No."

If her answer be "No," then she stands exactly where she did, technically, whatever new sentimental considerations may thereby be brought into the issue. If she say "Yes," then all that she is committed to, at present, is the severance of diplomatic relations with Germany, and with Germany alone. She then takes her stand with the United States, and so far with the United States alone, in action the legal significance of which is simply the expression of reprobation of German intentions. That is all, technically, that is implied in the breach of diplomatic relations.

Between this compliance with President WILSON's virtual invitation and the extreme step of joining the Allied Powers as a belligerent, even as a sleeping partner, there is a very clear distinction involving several definite steps, in fact; though in current thought, excited by the events of the past few days, the distinction is not made and possibly the steps are not seen. It is even taken for granted by some of those who should know better that the one step implies the second. This is not the case. "A state may for grave cause temporarily break off diplomatic intercourse with another state. Such an act is, however, a marked affront, and is, therefore, the sign of a rupture that only just falls short of war, and indeed may lead to it. But . . . it is possible that the displeasure shown by the cessation of diplomatic intercourse may pass over without a rupture of peaceful relations." President WILSON's message simply invites China to take the first step. China has to decide whether or not to take the first step, but in deciding she must bear in mind that it is a step "that only just falls short of war," and virtually to decide upon the first step is to commit herself to subsequent steps if those whose lead she follows find it

necessary, or profitable or politic, to take them. Even this does not necessarily imply that China would thereby become a member of the Allied Entente. It is conceivable that the United States may wage an independent war with Germany: conceivable but not likely. It may almost be taken for certain that if it should come to war between the United States and Germany the lot of the United States would be thrown in with that of the Allied Powers. The United States having taken a step "that only just falls short of war," and the temper of the world being what it is, the chances of "the displeasure shewn by the cessation of diplomatic intercourse passing over without the rupture of peaceful relations" are infinitesimally small. So that, whilst in actual technical fact China has four courses open before her—namely, (1) to take no step at all, (2) to take the first step with no intention of taking the second, (3) to take the first step with the intention if necessary of taking the second along with the United States, alone and (4) to take the first step fully prepared and determined to take the second in conjunction with the U. S. A. and the Allies—yet for practical purposes her choice lies between taking no step at all and taking every consequent step. *C'est le premier pas qui coûte.*

POSTSCRIPT.—*Since the foregoing lines were written we learn that China has, characteristically, provided the unexpected. The Government has decided before responding to President Wilson's message to address a communication to Germany. It is understood that, though the text of this communication has not yet been decided, it will probably take the form of a suggestion that Germany should not carry her announced submarine policy to the bitter extreme. Not until a reply to this note is received will China decide upon her own course of action.*

The Peking Daily News.

SATURDAY, 10TH FEBRUARY, 1917.

A CRITICAL MOMENT.

Yesterday afternoon the Chinese Government handed to Admiral von HINTZE, the German Minister, a note protesting against the adoption by Germany of the new measures of blockade which the Government believes will endanger neutral merchant vessels navigating in certain prescribed zones. In doing so, the Government has placed its policy upon a high moral plane.

It must at once be stated that in lodging the protest with Germany China has no grudge against her, has no desire whatsoever to "get even" with her or to stoop to the mean position of Rumania, which country saw an opportunity to secure territory and went to war. We have been on friendly terms with Germany, and are still friendly disposed towards her. But, as the adoption of the proposed new measures of submarine warfare would constitute "a violation of the principles of public international law at present in force," the Chinese Government has been impelled by a sense of public duty to its own citizens as well as to the whole world, to register its disapproval of these measures which Germany has declared herself to be about to introduce into the Great War.

Any attempt, no matter from what quarter it may come, to destroy the sanctity of international law which has been gradually built up for centuries, will be resisted by China, within her power. The salvation of China herself will have to depend upon the efficacy of that body of laws which regulates the conduct of nations. What Germany has now declared to do in the maritime warfare is a deviation from what has hitherto been allowed by international law. It is international law which China deems it necessary, though with regret, to uphold.

Germany's declaration of carrying out unrestricted submarine warfare, whatever provocation may have led her to the adoption of this policy, jeopardizes not only the sovereignty of the United States and China, but the sovereignty of all other neutral countries. Recently the activity of the German submarines became more and more destructive. During the first four weeks of January, the German submarines sunk 102 ships, the total tonnage of which amounts to 300,000 tons. Should they now torpedo neutral ships within the barred zones without warning as announced, it can be imagined what damage they may do to the commerce of the world. Not only cannot neutrals trade with the Entente countries, but they will not be able to trade with each other. Such an attempt may involve trespass on the sovereignty, of the neutral countries by Germany. Sovereignty in the words of the noted international jurist of the eighteenth century, GROTIUS, is "The power whose acts are not subject to the control of another." China cannot remain a silent witness of possible transgression of international law and her sovereignty.

During the last few months Chinese lieves abroad were constantly imperilled by Germany's submarine activities. As the *communique* issued by the Foreign Office announces, since the adoption of submarine warfare by Germany, amongst numerous persons of neutral states who have suffered injury or loss of life by the sinking of neutral ships, have been many Chinese passengers and seamen, as in the case of those who lost their lives on the British steamship Harpalyce torpedoed between Rotterdam and Newcastle, on two Japanese steamers and on board a French and a British merchantman torpedoed in the Mediterranean Sea. Should the KAISER's Government carry out its programme of unrestricted submarine warfare, the citizens of China would be confronted even with greater danger. The Government has its duty of according them necessary protection. The Note which is handed to the German Minister at the new Building of the Foreign Office yesterday aimed at the prevention of unnecessary further sacrifice of Chinese lives on the open seas which cannot be controlled by one government or even by a combination of foreign governments.

It must be noted that the tone of the letter to the German Minister is extremely moderate. No time limit has been set, and the wording of the note is as polite as can be. It is to be hoped that the Chinese Government will receive a favourable reply from the German Government within a reasonable length of time, so that it may not be constrained to follow the example of the United States and declare a diplomatic breach. We hitherto have no quarrel with Germany, and should regret developments that would interrupt our friendly intercourse.

SATURDAY, Feb. 10th, 1917.

THE BIRTH OF FOREIGN POLICY IN CHINA.

By PUTNAM WEALE.

The momentous decision taken by China yesterday will cause the 9th February 1917 to be long remembered as the day on which a definite and far-reaching Foreign Policy was inaugurated in this country. By responding rapidly and firmly to the invitation of the United States to associate herself with the stand taken against Germany's piratical submarine warfare, China has already won for herself a new place in the esteem of the world. Both in Europe and America the news of the communication she made yesterday to the German Minister in Peking will awaken the greatest enthusiasm, and will convince men that the Republic stands for something vital and real. In taking this first step China has opened a new and important chapter in her foreign relations; for although the maximum so far contemplated by her is simply rupture of diplomatic relations with Germany, it is quite certain that she will not hesitate to follow wherever America may lead; and that the United States will be involved in open warfare almost immediately is certain. The detention of Ambassador Gerard in Germany as a hostage is a violation of all that is honourable in diplomacy and is calculated to send a wave of fury across America which will precipitate overt acts of war. Whilst it is dangerous to make predictions in these kaleidoscopic times, everything to-day points to the fact that China like America will soon be discussing with the Allies matters of vast interest to her future and preparing to play that part in world history which her resources and her unexampled man-power entitle her to. From every quarter congratulations will soon be pouring in on the Peking Government for having swiftly performed an historic act which has placed a garland round the Republic and secured for it a happy future.

THE SINO-GERMAN SITUATION.

AFTER WARNING, WHAT?

With the exception of a small number of people, mostly German-trained or educated, the action taken by the Government protesting against the unrestricted submarine policy of Germany is endorsed by all circles. Naturally the new situation has caused surprise but there is no panic. The surprise is that the present Government has had the courage to begin a new international rule by taking the bold stand—which is considered in some circles as somewhat risky—a new rule which will raise the diplomatic standing, if not the military strength, of the new Republic of the Far East. In certain quarters there was open opposition to the Government's action but since the time must be historic when the Government presented the note of warning to Germany and a letter of sympathy to America, this objection has eventually disappeared. The feeling is growing by warning Germany of her violation of international law the Government has not formally protested against any encroachment on the rights of the neutrals, including China, but has let it be known that in fighting for civilization and international principles China is as ready and willing as any other country. As regards the relationship between China and America public statements are not required to show that China is in full sympathy with her ally-to-be; and if occasion should arise, she will show herself equal to it. In this connexion the views expressed by Mr. Liang Chi-chao to a representative of the *Kuo Min Kung Pao* expresses, perhaps, the almost unanimous views of Chinese educated circles. He says:

Mr. Liang Chi-chao's View.

"The new unrestricted submarine policy of Germany is an open violation of international law and a flouting to of the principles of humanity. It endangers the life and property of neutral countries. China, as one of the neutrals, can not remain silent. In view of the fact that our Minister in Berlin has been officially informed by Germany of the new submarine policy, it will mean silent acquiescence to it if no protest is made; and the only form of protest open to China is a strong warning. . . . Germany is one of the countries hitherto admired by China. It is therefore our hope that she will see the wisdom of accepting our advice. If Germany should fail to accept the same, then we shall be compelled to take adequate steps. It is to be presumed that the Allies will be pleased by our entry on their side. Our Government, however, should exchange views with them in order to prepare against the peculiar situation; and among those to be consulted we must mention Japan, which is our nearest neighbour and closely related to us in many ways. . . ."

The Next Question.

Having sent the warning to Germany there is nothing for China to do except to await diplomatic relation to cease or future to comply with the request of this country. There is no question about this. The next question, which is undoubtedly an important one, is, will China join the Allies or America if Germany should, as the result of her new submarine policy, do any actual damage to Chinese property and life? Perhaps, eventually, as the situation develops, the Chinese people will consider the case in a wider sense but for the time being there seems to be little likelihood of China joining the Allies as a belligerent. With this point disposed with, we have only the alternative of joining America or what is now called the Third Group. There is a general belief in China that America will not adopt an extreme policy of war. Great Britain, France and Russia are perhaps justified in their going the uttermost length. It is the belief or conviction of America's position which is now leading the Republic of China. Her eye is on the guiding hand by America. At the same time it must be understood that China can not, and will not, yet decided whether she will actually become a belligerent. To her the severance of diplomatic relations and declaration of war are two distinct matters. She may or may never declare war on Germany although she may remain diplomatically cut off from Germany until the end of the War. Nevertheless the view of the majority is in favour of joining the Third Group even as a belligerent. Provided satisfactory arrangements can be made especially in connexion with Japan, China will be willing to do what lies within her power for the cause of humanity as well as for her own standing among the nations. This, however, is a delicate point to settle.

The Attitude of Parliament.

The attitude of Parliament is apparently very clear. As a body, it supports the policy of the Government. A most striking fact about this is the unanimity of the two great opposing parties, the Yen Chin Hui (government) and the Yi Yu She (Kuo Min Tang). A special society is in process of formation for the purpose of supporting the Government in carrying out the new diplomatic policy. There is an altogether unusual enthusiasm and determination to sink all party differences to work out the future destiny of the Republic among the world Powers. At the secret meeting held last Saturday both the Senate and the House of Representatives asked some questions regarding the new situation but the majority of the members supported the Government.

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GOVERNMENT REPLIES TO QUESTIONS ON GERMAN CRISIS.

A Secret Meeting of Parliament.

As already reported the two Houses of Parliament held a secret meeting separately last Saturday afternoon to hear the report of the Government. The importance of the occasion was indicated by the presence of all the Cabinet Ministers and the Chief Secretary of the Kwo Wu Yuan. The Senate was first visited by the Cabinet headed by the Premier. Owing to the illness of Dr. Wu Ting-fang, Mr. Wu Chao-chu represented his father and replied to many questions put by the M.Ps. The Premier made a brief report of what had been done and the motive which had prompted the Government to take the step. He said that the first duty of the Government was to give protection to the life and property of Chinese subjects and with that in view the Government thought it necessary to send Germany a protest. The Premier also mentioned the advice received from the United States of America in this connexion. Member Li Shu-yin at once asked why had not the Government applied to Parliament for approval before taking such an important step. While recognising that the warning was not a declaration of war, he was of the view that it was a step leading to that eventuality. The Premier replied that China had merely sent Germany a warning. Whether it would be necessary to sever diplomatic connexion future events would decide. He would certainly ask the approval of Parliament when time came for a declaration of war on Germany. Mr. Chao-wu said that the action of the Government was an open violation of law. He also said that he was opposed to entering the war as the position of China was different from that of America. Member Tang Yi said that he recognised the principle that the Government was not absolutely required to ask for the approval of Parliament unless war was to be declared, but he thought it was clearly the intention of the Government to emphasise the importance of the occasion by the presence of all the Cabinet Ministers. He had been therefore looking forward for a full report on the steps the Government had taken and the motive which had prompted them to take the step. He was, however, greatly disappointed by the very brief report of the Premier in the House. If the Government had only that much to say to the House it might as well have sent an ordinary delegate instead of troubling all the Cabinet Ministers. He wanted to know if the Government had prepared a comprehensive plan for the situation as a whole. Other members also put some questions, mostly protesting against the step being taken without consulting Parliament before hand. To all these questions Mr. Wu Chao-chu made reply but the members were clearly dissatis-

had as questions went on for some time until nearly 2 o'clock, when the President of the House said that the other House had been telephoning several times asking when the Cabinet Ministers could go there to make a report. He then adjourned the House.

In the House of Representatives.

A similar scene took place in the House of Representatives immediately afterwards. Questions of the same nature were asked and answered. A member asking whether China would declare war on Germany if the latter refused to accept the warning, the Premier said that the time had not come to consider such an eventuality; and when that time came he would ask Parliament for advice and support. Several of her members then said to say that they were opposed to the policy of the Government but the Speaker ruled that the Government was only reporting to the House and not asking for its approval. If any member had questions to ask to elucidate their minds he might do so but it was not time to say whether they approve or not. The members who wanted to discuss the questions then became angry and confusion reigned for some time. Unable to quiet the House the Speaker declared to adjourn the meeting but certain members refused to accept this. So more questions were asked and answered until the members were satisfied. A point of great importance is that the principal opposition to Parliament was not against the policy itself but against the attitude of the Government towards Parliament which claimed that the Cabinet should have consulted them before sending the warning to Germany.

THE SINO-GERMAN SITUATION.

Continued from page 6 col. 2.

With the exception of Mr. Chan-wo who was educated in Germany and therefore was opposed to joining the Allies, the Senators merely questioned the procedure adopted by the Government. They claim that the Government should have asked for the approval of Parliament before taking such a momentous step. The Premier replied that when the time came for China to declare war on Germany he would certainly ask for the approval of Parliament in accordance with the provisional Constitution. In the House of Representatives members Wang Nai-hsiang, Hsiao Chia-yung, Huang Kung-su and others asked questions along the same line. Replying to the question whether the Government had made preparations to wage war on Germany if the latter should refuse to accept the warning, the Premier said that the friendly relations between China and Germany had not yet been severed, and since the friendly relations still existed it was not time to answer such a question. In addition to these queries there was also some vociferous questioning from the members of the Pien Chen Chu Le Pu, an extreme sect of the Kuo Min Tang, but this faction is not sufficient in number to cause trouble. The views expressed in the two Houses of Parliament last Saturday, however, expressed the views of the individual members more than the parties. Since there is little doubt that the question will be settled on party lines it is interesting to note what attitude the various parties are going to adopt.

Attitude of the Parties.

The Tao Lee Hui—Although the attitude of this important neutral party, which did much to bring about the settlement of the Provincial System, is not yet known. Many of its leaders, are, however, in favour of forming a Wai Chiao Hou Yuan Hui or Society for Diplomatic Support. In pursuance of its old policy it will no doubt be the aim of this party to bring the various parties together in support of the Government in its new diplomatic policy.

Yen Chia Hui—So far this party, which has always supported the Government, has shown no sign of hostility towards the new situation. There is no question, however, that although, if given a free hand it would have opposed China's joining the war, it will refrain from openingly opposing the action of the Government for obvious reasons. It is noteworthy that Mr. Tang Hua-lung and many of his colleagues are unreservedly for joining America.

Yo Yu She—This portion of the old Kuo Min Tang, which forms one of the three groups of influential bodies in Parliament, is unquestionably for sever

ing diplomatic relations with Germany and for war if necessary. Officially it has not possessed that it will adopt a firm attitude in support of the Government in connection with the crisis with Germany. Steps are being taken to come to an understanding with other parties towards the same end.

The Ping She is divided, some for armed neutrality and some for war. With the exception of Chang Yao-tsun, Minister of Justice, and Mr. Chang Shi-chiao, the whole of the Chou Kuan Hui are for war and have decided to support the Society for Diplomatic Support. Other small parties excepting Tso Yuan and Ping Chun Chu Le Pu, also support the Government even if it should become necessary to declare war. The last named is the only party which will openly oppose the Government declaring war on Germany and will no doubt be very loud in their protest in Parliament but so long as the other parties remain firm their loud protest will not amount to very much. It will be seen from the above facts that China is almost prepared for any eventuality.

THE GREAT DECISION.

THE MEANING OF THE CHINESE PROTEST TO GERMANY.

Since the outbreak of the war in Europe and its extension to Chinese soil through the operation of the Anglo-Japanese Alliance in the late summer of 1914, it has appeared not improbable that China would be swept within the orbit of the forces which—working through blood and ruin—seem [illegible] to be waiting for a new order of things. The probability of Chinese participation in the conflict has rested on quite as accurate an arrangement of the relations of this country to the world. More than half a century of foreign intercourse and influence has been forcing us to think in terms of a member of the society of nations, and with this has come a new sensitiveness to any event or change with the power to affect us as a world-scale. And we are more likely to feel and to be affected by the reaction of such a phenomenon owing to the manifold points of friction which exist in China as a result of the anti-sovereign rights and privileges enjoyed by foreign Powers and their nationals. This is peculiarly true of such an immense transaction as the struggle that is proceeding in Europe. If only because China is a country of nameless resources and so multitudinous that every fourth man in the world is a Chinese, the war was bound to touch us and create a situation from which not even Mandarin quietism could save us from being involved; but our powerlessness to escape the range of the conflict was instantly demonstrated when the Japanese decided that their loyalty to England demanded the seizure of the place in the sun which the Kaiser had secured at Kiaochau. And that we were just as much involved in the war as Serbia or Belgium was again swiftly shown when Baron Kato—greatly daring—revealed the range and aims of his country in China in terms not less clear and sinister than the text of the Austrian ultimatum to the little Slav nation in the Balkans. The analogy is real. The Twenty-One Demands threatened Chinese liberties and independence in precisely the same sense that the existence of an independent Serbia was threatened by the Austrian demarche and as Belgian sovereignty was compromised by the demand that German troops should be permitted to march through Belgium to northern France. And as a matter of fact, Chinese liberties have not only been threatened but actually affected in South Manchuria and Eastern Inner Mongolia, whilst as regards Group V. of the Japanese demands it is important to bear in mind that the same has been postponed, not abandoned. If, therefore, these demands are to be construed as a war-measure—which undoubtedly they are, since they were presented in reply to the Chinese demand for the abolition of the zone of military occupation in Shantung—it will be seen that China has been throughout the past two years and more involved in the war in a practical way, whatever may be said of her participation in terms of theory and international law.

THE ENTENTE AND CHINA.

It has been a perception of this truth which has more or less influenced the attempts to secure Chinese adhesion to the pact of the Allies and the direct participation of China in the war. Yuan Shih-kai's tentative efforts in this direction failed, because he aimed less at regulating the anomalous position of China in connexion with the war than at the capture of foreign recognition for his mad Imperial scheme. Since Russia, France and Great Britain began recruiting Chinese man-power for non-combatant service, suggestions have

been made that China should again try to regulate her position in the war-situation by direct negotiations to be conducted in London. The argument in favour of this action has been powerfully stated in more than one special article appearing in our columns; but we have to admit that this course has seemed to us to be not a little packed with serious difficulties. There is no doubt that if China were to take a direct part in the war on the side of the Entente, it would be advisable for her to do so through negotiations with Great Britain. It might be unnecessarily invidious to suggest why we should profit more by negotiating on the subject with the latter than with any other member of the Allied coalition. The remark however, may be made that British interests in China are of such mass and value as to make the independence and integrity of this country a vital British concern; and for this reason Great Britain—in matters where she is free to act—is not likely to obstruct the advancement of interests which make for the greater security of China.

Whilst this is quite evident, it is equally clear that Great Britain's treaty obligations to Japan do commit her to courses which are in entire conflict with the vital interests of this country. A signal instance of this British subordination of grave Chinese interests to those of England's Far Eastern ally is seen in the case of Shantung. If there is one Power on earth whose presence in this historic province is a positive danger to China—and for that matter to England herself as one interested in the independence and territorial integrity of this country—it is Japan. This is no immoderate fear. What Japan is certain to do in Shantung is plain even to the blind. It is written in emphatic terms in her demarche of 1915, and you can see it translated already into ugly facts in South Manchurian and Eastern Inner Mongolia. And yet—knowing, as she must, this immense menace to us—we find England together with the other defenders of the rights of weak states agreeing, as one of their war-aims, to the transfer to the Japanese of all German rights and interests in Shantung and to the necessary opposition of any German surrender of the same to China. This can be the only meaning of Viscount Motono's recent speech in the Japanese Diet. How in the face of such a war-aim can it be suggested that China ought to become a member of the Entente and a signatory of the pact of London, which commits each ally to continue the war until—among other admirable things—Japan is entrenched in Shantung and placed in a position to sap away into the other historic provinces of this country?

CHINA AND THE UNITED STATES.

This is the impossible and ironic situation which was facing China when the United States severed diplomatic relations with Germany and invited China to do the same. It may, however, be stated that, even if the realisation of Japanese ambition in Shantung was not a war-aim of the Allies, it is probable that the Chinese Government would hardly have deemed it expedient to take any step which was likely to lead to an open rupture with Germany. There are many reasons for this view, but the dominant one lies in what may, without disrespect, be called Mandarin inertia. That this inertia has now been overcome, in the sense and to the extent registered in the emphatic note of protest which the Chinese Government has addressed to Germany regarding her new submarine policy is due solely and entirely to the invitation communicated to China by the United States Government. Whilst it would be wrong to suggest that the Chinese action has been taken in order merely to please America, it is necessary to place on public record the capital fact that nothing but such an invitation on the part of the Washington Government would have moved the Chinese Authorities to the bold act involved in the protest to Germany. We suggest that this is the most signal proof of Chinese confidence in America and of the national wish and resolve to range ourselves with the great Republic of the West in all matters that

are of common interest to the peoples of the two countries. In saying this we imply and we mean to imply the future creation of a great international structure which shall link the destinies of the two Pacific Powers whose vital interests are those of peace, because through Providence each already possesses all that can make a state great and powerful.

But this is not all that is implied in the Chinese acceptance of the American invitation. Besides laying foundations that may be the beginning of a new era in the foreign policy of both America and China, the Chinese action has also been inspired by the hope that in America we shall assure a powerful advocate at the Peace Conference who can insist, as no other Power can insist, upon the faithful fulfilment of the promise that the rights of weak states shall be defended regardless of the ambitious and pseudo-national aims of any particular Power. And last but not least we have decided to follow America in the action taken in reply to the German challenge because—unprotected as we are for at least a generation against the aggression of any rubber-state—we wish to assist at the possible establishment of the rule of law among and between nations. Whilst man as a member of a particular society or nation has long since substituted the rule of law for the rule of the club which, in the stone age, decided all disputes, it is a striking reflection that nations, which are but aggregates of men, are still in the stone age in their method of settling international disputes. Is it not time that the whole should not be less than the part?

PARLIAMENTARY NEWS.

China's Protest to Germany.

Discussion at Closed Sessions.

IN THE SENATE.

All the Cabinet Ministers with the exception of Dr. Wu Ting-fang, Minister of Foreign Affairs, who has not yet thoroughly recovered from his recent indisposition, attended both the Senate and the House of Representatives on Saturday last to report the Government's action in sending a note to Germany protesting against the adoption of the proposed new measures of submarine warfare.

On his arrival at the Senate, the Prime Minister, General Tuan Chi-jui, asked for a closed session, which was immediately granted by the Speaker. He reported that at a cabinet meeting it had been decided to send to Germany a note of protest against her announcement to introduce into the Great War unrestricted submarine warfare within certain prescribed zones. In making this decision the Government was following the example of the United States. The decision of the Cabinet had been accordingly carried out.

The Prime Minister briefly outlined the motives leading to the decision. The Government considered it its first duty to accord its people adequate protection, he said, and as the adoption of the proposed new measures of submarine warfare would endanger the lives and property of Chinese abroad, it decided that steps should be taken to warn the German Government against any act of violence, which might be perpetrated upon Chinese citizens.

In this connexion, the Prime Minister remarked that the Chinese Government had received a note from the Government of the United States communicating the news of its diplomatic breach with Germany over the submarine issue.

Mr. Li Shu-yin asked: "Why did not the Government apply to Parliament for the necessary authority before the note of protest was sent to Germany? I realize that the action taken by the Government did not amount to a declaration of war, but it might eventually lead to war. In view of this, the Government should first ask Parliament for approval before this weighty decision was made by the Cabinet and carried out by the Ministry of Foreign Affairs."

The Prime Minister replied: "China sent only a note of protest to Germany. The question whether she will break off diplomatic relations with that country or not remains to be considered. However, should future developments justify China's declaration of war or her rupture of diplomatic relations with Germany, I will come to the Senate to ask for the necessary authority before anything is done."

Mr. Ma Chun-wu declared that what the Government did in this matter could not be regarded in any other light than as a violation of law. He said he strongly opposed China's participation in the war, explaining

[illegible] China's position was unlike that of the United States. He added that China's commercial activities were very infinitesimal and that they did not justify strong measures.

Mr. Tsang Yi demanded a full report from the Government. He said he recognized the contention of the Government that it was not necessary to secure the approval of Parliament in taking the action in question, unless war was declared on Germany. He expressed the belief, however, that it was the intention of the Government to emphasize the importance of the occasion by the presence of the whole Cabinet except Dr. Wu Ting-fang. He hoped that a fuller report would be given by the Prime Minister. He was disappointed with the short report just given and remarked that for the presentation of such a meagre report there was no need to have the presence of so many Cabinet Ministers. A single delegate from the Government to convey what had been done to Parliament would have been sufficient.

Mr. Tang asked whether the Government had prepared a detailed plan for coping with the situation that might arise as a result of the note of protest sent to Germany.

A number of other members made similar protests, but Mr. C. C. Wu, Councillor of the Ministry of Foreign Affairs, replied to them one by one. At two o'clock the Speaker of the Senate announced that the House of Representatives had by telephone asked for the presence of the Cabinet Ministers to make a report on the situation.

IN THE HOUSE OF REPRESENTATIVES.

A member asked the Prime Minister: "Would China declare war upon Germany if the latter refused to reply to the note the Government sent to her?"

The Prime Minister replied: "It is too early to consider such an eventuality. I will ask Parliament for instruction when the time comes to consider it."

At this point a number of members of the House addressed the Prime Minister one after another, saying that they strongly opposed the foreign policy adopted by the Government. The Speaker interrupted them by stating that the Prime Minister came to the House to report what had been done and not to ask the necessary authority. He suggested that this was not the time to say "Yes" or "No." The thing had been done, and no revision of the Government's attitude could be expected, concluded the Speaker.

The Speaker declared the meeting adjourned, but a number of members demanded that more time be granted for the consideration of this grave question. More questions were asked and replies given.

GERMANY AND CHINA.

Political Parties and the New Situation.

Diplomatic Discussion Society.

The various political parties have decided to organize a "Diplomatic Discussion Society," to study the new diplomatic question and to give advice and support to the Government. Members of all parties will take part in its deliberations. It was decided to hold the first meeting on the morning of 12th inst. in the hall of the Constitution Drafting Commission in the House of

[illegible] issued, and all the parties elected delegates to attend the meeting. It was believed that this meeting would bring about uniformity of opinion regarding the problem of China's foreign relations. The Diplomatic Discussion Society should be able to give valuable support to the Government.

An Inter-Party Meeting.

At first it was proposed to call the Society by the name of Diplomatic Support Society, but later on it was decided to use the name given above. There should have been an inter-party meeting on the 12th to discuss the Constitution, but in view of the urgent nature of the diplomatic question confronting the country, the various parties agreed to devote the time to the discussion of the diplomatic crisis.

Yi-Yu Party.

The Yi-yu Party has sent a circular notice to all the other parties announcing its readiness to support the Government's action.

It has elected the following six M. P.'s as delegates to confer with the delegates of other parties on the diplomatic question: Messrs. Chu Nien-tsu, Li Shu-yin, Chou Lu, Tsao Yu-teh, Peng Yun-yi, Chao Shih-yu.

New Political Party.

A new political party was formed by the M.P.s on Sunday called the Tatung or Universal Club Party. At its first meeting, the question of China's foreign policy was discussed. The Tatung Party elected the following six M.P.s to confer with the other parties on the diplomatic question:—Kang Shih-to, Hu Pi-cheng, Li Fang, Chin Ting-hsun, Wu Yuan, and Wang Yung-ping. One interesting feature is that there are several well known journalists in this party.

Other Parties.

The other parties have also held meetings in their headquarters to talk over the new situation. The Chenghsueh Hui held a meeting of party officers, who also appointed the delegates to the Discussion Society. On Saturday night, the Constitution Studying Party held a regular meeting attended by all the members and passed a resolution to give unqualified support to the Government.

At Sunday's meeting of the Yiyu Party, a resolution was passed to request the Government to communicate first with Parliament before taking any further action.

The Ping-cheng Party has notified its members to hold a special meeting to discuss the attitude to be adopted by the party regarding the Government's foreign policy.

Decision Unanimous.

The decision of the political parties to support the Government in the present crisis, is unanimous. The Tao-lun Party, the Pin-sheh Party and several others have all passed resolutions to give unqualified support.

Individual Views.

The Vice-President's Views.

In connection with the Chinese protest against the German submarine warfare, Vice-President Feng Kuo-chang has submitted a long telegram to the Central Government stating that it will be most unwise for our Government to join the United States should war break out between the latter and Germany. It is learned that after the protest of the Chinese Government was sent to the German Legation here, Minister von Hintze had made a special call at the residence of the Chief Secretary of Vice-President Feng Kuo-chang, Mr. Liu Chang-min, who happened to be in Peking, and had a long conference.

Seeking Provincial Opinion.

The Government proposes to ask the provincial authorities to send delegates to Peking for the purpose of holding a Special Central Conference which will discuss matters relating to the diplomatic question. Exchange of views by telegrams has proved to be inadequate and at this central conference, the Government will be better able to explain fully the present situation to the provincial authorities and secure a uniformity of opinion, on the pending crisis.

Chinese Ministers Abroad.

The Waichiaopu has received telegrams from the Chinese Ministers at Paris, London, Russia and Tokio in reply to the Government's questions regarding the new situation. The exact nature of these messages is being kept secret. It is reported that Ministers Hu Wei-teh and Alfred Sze suggested the following of the United States' example.

How the Decision was Reached.

The Government's announcement of its decision in the new crisis was very sudden. It would be interesting to recall how the momentous decision was reached. Five Cabinet meetings were held to discuss this problem, and the Prime Minister was very cautious throughout these meetings.

At the first four meetings, he listened patiently and carefully to the arguments of the two sides, but he himself refrained from expressing any opinion. At the fifth meeting, he became convinced about the step which China should take and gave his decision accordingly. The advocacy was not, in either direction, influenced by party politics.

Those who were present at the meetings only expressed their own personal convictions, and the Prime Minister knew it. The only phase open to question is that the returned students from a certain nation seemed to be somewhat partial to that nation. For instance, Messrs. Ma Chun-wu and Chiang Fang-chen, returned students from Germany, argued that China should not join either America or the Allies, whilst Messrs. Tsai Yuan-pei, Chang Chi and other returned students from France urged that China should join the Allies. But still it should be allowed that this difference of opinion is due to the different points of view, and these gentlemen were all speaking their convictions.

AMERICAN CONSULAR SERVICE

No. 113. Changsha, China, April 2, 1917.

Subject: Severance of Diplomatic Relations between China and Germany.

Honorable Paul S. Reinsch,

American Minister,

Peking.

Sir:

I have the honor to inform you that my German colleague, Dr. N. Merklinghaus, was handed his passports some days ago by the local authorities, pursuant to the severance of relations between China and Germany, and that he left the port of Changsha for Shanghai on the 31st ultimo. I enclose herewith translation of proclamation issued by the Civil Governor of Hunan under date of March 23rd, 1917 informing the people of the break in diplomatic relations between China and Germany and calling upon them to refrain from any acts of malice or violence towards private subjects of Germany, pointing out to them that questions at issue are ones that exist between the governments of the two peoples concerned and have nothing to do with private citizens. It is not anticipated that the severance of relations will bring with it any untoward incidents in this province. There has been some fear expressed by foreigners resident at Changsha that the action of the Chinese Government might inspire irresponsible people to acts of violence against foreigners, whether of German or other origin, but I think that these fears are not well grounded. The severance of relations appears to have created little or no comment locally and it is my understanding

that

that Germans are well liked in the province. I am informed that German houses here at Changsha have been searched by the authorities, who have taken into their possession all arms and ammunition found.

I have the honor to be, Sir,

Your obedient servant,

N. T. Johnson.

American Consul.

711
J/E.

Enclosure: As stated.

A true copy of the signed original.

Translation.

P R O C L A M A T I O N

ISSUED BY THE CIVIL GOVERNOR OF HUNAN, DATED MARCH 23rd, 1917.

A telegram has been received dated the 16th instant from the Ministry of the Interior and the Ministry of War to the following effect:

"Yesterday telegraphic instructions in detail were sent to all concerned relative to the protection of German residents in going to and departing from China and all German merchant, people and missionaries resident within the boundaries of China, as the records show. But the relations between Chinese and German Governments have been severed and this matter concerns simply the governments, and as relates to those Germans resident within China, so far as they do not act contrary to the regulations which have been drawn up and settled for the protection of the public and safety and peace they should be amply taken care of and protected. Circular instructions have now been sent out to all of the Governors directing them to deal with these questions in accordance with the above idea, and directing them to inform all of the people and instruct them that in their relations with the German people they should act in accordance with principles of right and justice and they are not, in their speech, manner or manner of action toward them to show animosity or violence. This is important."

Now with regard to the question of the severance of diplomatic relations between China and Germany, let it be known that this is a question which concerns directly and only the two governments and it is necessary that all German consuls and German merchants and German people within the boundaries of China be protected and cared for as heretofore. Let none of our soldiers, people, or others in their attitude towards German people be guilty of animosity or villence. Those who maliciously and stubbornly act contrary to this prohibition will be severely dealt with. Now besides issuing instructions to the army and to the civil authorites to investigate and inquire into these matters, this proclamation is issued for the information of all in order that all may be informed and render obedience.

Tan Yen-kai, Civil Governor.

A true copy of the signed original. 6

Political situation in China.

2849

Sub.
Recd.
Ack.
Ans.
Ref.
Ans.

Peking,

No. 1525. June 14, 1917.

CONFIDENTIAL.

210.

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

In continuation of my despatch No. 1496, of May 12th, I have the honor to report on the further development of the political situation in China. On May 14th I had occasion to converse both with the President and General Tuan Ch'i-jui the Premier. From the remarks which they made to me, I could gather that the contrast between them was practically unsurmountable. The President took the ground that the Premier had lost the confidence of Parliament and could not possibly be trusted by them further. The bringing of the Military Governors to Peking particularly had destroyed the confidence of Parliament. On the

other

other hand, the President expressed his firm belief to the effect that the Military Governors did not unitedly support General Tuan. The Premier, in conversation, protested his desire to work with the President and Parliament. He claimed, however, that the attitude of Parliament had become so unreasonable that cooperation was wellnigh impossible. In the course of the conversation he stated that "he conceived it necessary for the Government to assume an attitude of friendliness toward the Japanese but that it was his purpose not to yield any essential rights." He then asked "what do you suppose would happen if the radical Kuo Min-tang would come into power?" and assured me that he had positive proof that Sun Yat Sen and General Tsen Ch'un-hsuan had both given written assurances to the Japanese Consul-General at Shanghai that should either of them come into power they would conclude with Japan an agreement giving to the Japanese the equivalent of the arrangements contemplated in the famous Group V demands of 1915. I believe that General Tuan is sincere and that, while the pro-Japanese clique under Ts'ao Ju-lin has been cooperatiing with him, he had not committed himself to Japanese control.

The deadlock between Parliament and the Premier continued for another week. On Monday, the 21st of May, the President seems to have made up his mind to take a strong position toward General Tuan and the Military Governors. He expressed to some of the leaders who were calling on him quite decidedly the opinion that General Tuan should yield. Evidently the Military Governors were at this time somewhat frightened and confused. Several among them, particularly General Ni Ssu-ch'ung, were extremely

unpopular

unpopular on account of the extortions which they had practiced and it would be easy for a strong hand to topple them over. The majority of the Tüchuns left Peking hurriedly on Monday night, taking their course to Hsüchoufu where they intended to consult with General Chang Shün. It was believed in Peking that this was rather a pretext to save their face and to serve as an excuse toward General Tuan, so that he might allow them to go freely.

On May 22nd the President invited me to lunch, together with Doctor W. W. Willoughby the American Constitutional Advisor. It was plain from his remarks that he had made up his mind to dismiss General Tuan. He asked Professor Willoughby some questions as to the legal form of the dismissal. On the same day Mr. Tsa'o Ju-lin called on me. He stated that the Tüchuns had sent him to express their regret at not having been able to make farewell calls, due to their sudden decision to leave Peking. He asked me whether I had any opinion to express with respect to the attitude of the Tüchuns. I told him that I did not. Immediately afterwards, the French Minister called on me and related that Tsa'o Ju-lin had visited him on the same mission as above. Mr. Tsa'o had, however, asked the French Minister whether any support could be given the Tüchuns by the French Legation. Mr. Conty stated to me that he had answered in the negative.

The mandate dismissing General TUan was issued on May 23rd; it was countersigned by Doctor Wu T'ing Fang, probably in his capacity as a member of the Cabinet. At the same time Doctor Wu was appointed as Acting Premier. The nomination of Mr. Li Ching-hsi as Premier was sent to Parliament for approval shortly afterwards and was immedi-

ately

ately ~~approved~~. The President placed great faith in Mr. Li, who is an official of long experience, belonging to the old school, a nephew of Li Hung-chang. As Mr. Li had before delayed to take up his active duties as Minister of Finance, to which office he had been appointed on May 2nd, so he now declined to take up the duties of the head of the Cabinet.

I saw General Tuan on the morning of May 23rd upon a matter of business. He seemed quite unconcerned and talked on the matter involved in great detail without ever referring to the political situation. In the afternoon his representative, General Chang, came to see me evidently quite disturbed. I gave him a message of personal friendship for General Tuan. The latter left Peking for Tientsin the same night.

It was the general belief in Peking that General Li now had an opportunity of reconstructing the government with strong popular support. The Parliamentary party were eager to take action against the most corrupt and unpopular of the Military Governors. The President appeared to count on several factors: he believed that General Tuan was isolated, that the Tüchuns were divided and would not take common action, that the majority of them would support the President, that he could particularly rely on the Military Governor of Chihli Province, that he could also rely on the friendly support of General Chang Shün and that either Li Ching-hsi or General Wang Shih-chen, the Chief of the General Staff, would accept the Premiership. Parliament was in a mood to accept a strong Cabinet regardless of party affiliations.

On

On May 26th General Ni Ssu-ch'ung, who was the most active among the Military party, declared that the dismissal of General Tuan had been illegal, that his province (Anhwei) disapproved and would act independently of the Central Government. This was the crucial point in the development of the situation. I have been informed by men who were present at Hsü Choufu at this time that General Ni was in a desperate mood, knowing that action would be taken against him. The remaining Military Governors assumed an expectant attitude to see what would happen. It is stated that the Japanese present at Hsü Choufu encouraged General Ni to go ahead.

It is believed by the most expert observers that had the President immediately dismissed Ni and ordered his punishment, had appointed a junior commander in his place or, preferably, given the Civil Governorship of Anhwei concurrently to General Chang Hsün, the rest of the Military Party would have fallen away from Ni and the President should have been able to deal with them individually. Instead of taking this action, however, the President was persuaded to send a conciliatory letter to General Ni. The result of this was to establish the leadership of General Ni over the Military Party and to encourage the majority of the Military Governors to declare their independence. A so-called provisional government was set up at Tientsin with General Lei Chen-ch'un as its head. With respect to the inwardness of this government I have received the following confidential information. The older and wiser men of the Military Party, men like General Tuan Chi-jui and Mr. Hsü Shih-ch'ang, held themselves

selves entirely aloof from it. General Ni Shu-ch'ang was the leading spirit. By dint of force the so-called government helped itself to the deposits of the Chinese Government in the Tientsin branch of the Bank of China. A total of $900,000 was absorbed in this way. The offices of the "government" were deserted, although a long list of employees was drawn up. All political work was done by negotiations at the homes of the Generals. The men greatly in evidence were the members of the pro-Japanese clique, Mr. Tao Ju-lin and his henchman Major-General Mei Shu-cheng, and General Tuan Chih-kuei. General Aoki, the Japanese Military Advisor to the Government, was also on the ground.

In Peking, meanwhile, a creeping paralysis seemed to affect the Government. The President relied on General Wang Shih-chen, the Chief of the General Staff, for control in and around Peking and for advice on the situation. General Wang is undoubtedly an honest, dutiful man, but his sympathies were with the Military Party and he counselled conciliation at every step. The Acting Minister of Communications, at present thoroughly under Japanese control, issued orders to the railways to the effect that all orders of the Military Governors for transportation, etc., should be implicitly obeyed and that there should be no question of divided authority. The President himself showed his inherent inability to take decisive action, although he continued to protest that he preferred death to committing an illegal act.

Incidentally I may state at this point that when at this time and later the question of the movements of revolutionary

olutionary troops, and the stationing thereof at Tientsin and along the railway came up, the Japanese Minister persistently took the position that it would be highly undesirable at this time to make any objection on the ground of conflict with the protection of the railway by foreign troops. This attitude was taken notwithstanding that within two months before the Japanese Legation had strongly objected to the stationing of a few government troops along the said railway.

About this time the President, presumably on the advice of Mr. Li Ching-hsi, issued a mandate inviting General Chang Hsün to come to Peking as arbitrator. It must be confessed that it is difficult to understand the reason for such action. But it is plain that the President had been made to believe that Chang Shün would in some way give him support in the constitutional issue. This in the face of the fact that Chang knows nothing of and cares absolutely nothing for a constitution, and considers Parliament an unmitigated nuisance, a crowd of useless meddlers and busy-bodies; also that he is a notorious monarchist favoring the restoration of the Ching dynasty; not to speak of his character as a bandit chief. For some reason, however, the President believed that Chang could be used to keep the Tüchuns in check. This is probably true but with a reservation that General Chang would not be acting for any policy or principle of the President's but for his own ends. General Chang Hsun arrived in Tientsin on June 7th. To an American who saw him he expressed himself in the most confident spirit. He stated "everything is settled. I have told the President to dissolve Parliament and I shall be in Peking in a few daysto settle the

rest.

rest. Some of my troops have reached the gate of Peking. I have a message from them that they have the situation well in hand". His breezy and confident manner indicated that he believed himself not only the arbiter but the ruler of the destinies of China. There are undoubtedly in the character of this man rare qualities of leadership, but there is nothing of any understanding of modern government. He is, however, a nationalist and though the Japanese have tried their best to get a hold over him and have helped him to make many profitable investments he seems to have preserved his independence.

On June 11th President Li gave way to what he considered the inevitable and signed his mandate dismissing parliament. The text of the mandate and of President Li's telegram are herewith enclosed. Doctor Wu Ting-fang, the Acting Premier declined to sign this mandate, stating that as the Premier-designate, Mr. Li Ching-hsi, had advised its issue, it was fitting that he should come to Peking and assume office and responsibility. He, Doctor Wu, not being in favor of the act, saw no reason for signing the mandate. At 2 a. m. on the morning of June 13th Doctor Wu was roused from his bed and asked to sign a mandate designating General Chiang Ch'ao-tsung, the Commander of the Peking gendarmerie, as Acting Premier and accepting Doctor Wu's resignation from that charge. Immediately after, in the same night, General Chiang signed the mandate. It had been represented to the President that should the mandate not be issued, it would be impossible to prevent violent acts in Peking.

Five of the southern provinces have already tele-

graphed

graphed their protest against the action taken through this mandate. Most of the members of Parliament have left Peking. C. T. Wang and the Speaker of the House escaped last night.

In a conversation with the Japanese Minister on June 11th, reported in my telegram of June 11th, 2 p. m., he stated "General Chang's mediation is the last hope of peace. It is desirable that Parliament should be gotten rid of because it is obstructive and renders the doing of business well-nigh impossible". Throughout the present affair there were indications of a Japanese policy to make friends with all the cuts to incite their hopes and to endeavor to get from them commitments which would bind them to favorable action should they come into power.

Concerning the presentation, under your instructions of June 4th, 5 p. m., of the note of the American Government to the Chinese Foreign Office, and concerning the reception and effect of this note, I shall have the honor to make a separate report.

There are enclosed herewith, the following: The official record of Mr. Li Ching-hsi, designated Minister of Finance and Prime Minister, and cuttings from the Peking Gazette containing the text of mandates and telegrams, as well as newspaper discussion.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

as stated.

710.

A true copy of the signed original

Record of Li Ching-hsi

British Legation List, 1910.

Native of Anhui (a nephew of Li Hung-chang).
Licentiate.
Yung-Ning Tao, Ssuchuan, May, 1887.
Sh[illegible]t Taotai, Hunan, August, 1893.
Judicial Commissioner, June, 1897.
Financial Commissioner, Fukien, September, 1898.
Do., Yunnan, January, 1899.
Governor, Kuanghsi, April, 1901.
Do., Yunnan, June, 1901.
Removed from office, May, 1902.
Acting Governor, Kueichow, January, 1903.
Governor, Kuangsi, May 1904.
Retired, ill health, October, 1905.
Governor-General, Yun-Kuei Provinces, February, 1909.

Government Gazette.

Chairman of the Administrative Council (Cheng Chih Hui I), December 12, 1913.
Chairman of the Commission for the Examination of the Qualifications of the Members of the Provisional Constitutional Conference (Yueh Fa Hui I), March 4, 1914.
Member of the Council of State (Ts'an Cheng Yüan), May 26, 1914.
1st Grade of the Order of the Golden Sheaf (Chia Ho), May 29, 1914.
Auditor-General, October 7, 1914, to January 27, 1915.
Rank of Chung Ch'ing, January 1, 1915.
Minister of Finance, May 2, 1917.

THE BREAK-UP OF THE PEITANG MILITARY PARTY.

BY PUTNAM WEALE.

THE DRAMA OF A DREAM.

The fantastic events which have taken place in North China during the past ten days are like a dream within a dream and are no doubt appropriate to the uneasy season of heat. The vision of lost Provincial Military Governors, defeated in their play of domineering Parliament, speeding away, surrounded by their guards to the railway stations, and then after a hurried consultation suddenly declaring Tu-chuns' war on Peking from the safety of the Italian Concession in Tientsin, is so unreal and yet such admirable theatre that the atmosphere of this phantasy merits preservation in some work of art. So far the stage has never yet properly benefitted from the colour and life of Peking; but at last the long-awaited opportunity seems to have presented itself. A great artist would find in this theme, with its background of splendid city walls and vermillion pad Palaces, coupled with the mad and hasty plotting of men who are perfect stage-traitors, something which would delight the audience of two hemispheres. Art certainly cries aloud that these substances should not be lost; for poetry can ill-afford to abandon to the dust-heap what is so replete with imaginative qualities and of such brilliant colouring.

Whilst all this is true, when we cease to examine as a solemn political proposition what has taken place, reasonable men can only be distressed and made pessimistic by the astounding childishness of the performance—a childishness which is so overwhelming that it apparently never stopped for one moment to consider what the ultimate effects on the world would be. China is no longer the old China of six years ago and that is a very important consideration; for what was good and reasonable in 1911 has no value whatever in 1917 since the nation to-day owns the country and is not the slave of an alien dynasty. In such circumstances the so-called declarations of independence of a few Northern provinces no more resembles the genuine article than this newspaper resembles the image of a cow; and the latest absurdity of a handful of generals imagining, because they have temporary command of a few provincial capitals and have placed their armed forces astride of three important railways, that they can change the course of history and mould the destinies of four hundred millions of people to their will, is so self-evident that only very ignorant persons can possibly be deluded into believing in the reality of what has taken place. The people of China have to-day but to lend them their support to the Central Government and to express their disapproval of all the disruptive and coercive measures which are threatened to dispel very rapidly, indeed, the clouds which have gathered. In other words, once the commonsense of this great race asserts itself the effect must be crushing; and the Military Party, having plainly outreached itself, will be killed outright as a political factor at the appointed hour.

THE EVIL EXAMPLE OF TREACHERY.

What has taken place, however, have already brought great confusion and distress to the Peking Administration. Many cases of treachery have been disclosed, some so remarkable that they merit record. The extra-ordinary matter which occurred four days ago, and which resulted in the resignation of the Governor of the Bank of China, apparently under police-threats, bids fair to become one of the most humiliating

...moment of the present peace, discovering as it does that the Metropolitan Police are being converted into provocative agents. It is this treachery rather than anything else which is the root-evil of the Republic, and it is this treachery which must be eradicated at all costs if China is to survive. For it has now been proved beyond a shadow of a doubt that it is henceforth absolutely necessary to administer an oath of office to every official, high and low; and that if this oath be broken and treachery displayed there must be some penalty so severe that a lesson will be taught which will never be forgotten. In a nation where a proper sense of responsibility has been inculcated by legal means, no men, not even desperadoes, would have dared to act as some of the Tu-chun have acted—that is not only to proclaim themselves as rebels and to set themselves in opposition to the sovereign people, but to invite foreign intervention. For it must be remembered that whilst revolution is to be condoned in an autocratic country where the people have no rights, in a Republic there can be no revolution in the true sense of the word—except for the corrupt purpose of setting up a dynasty. But nearly all the prominent men who have conspired to bring about the present drama now hotly deny that they are unfaithful to the Republic. They say that they merely wished to chastise the insolence of the people's representatives, i.e. the Parliament, and to secure that all the real power should be centred in the hands of a Cabinet of their choosing. They do not seem to realize that this programme places their country on a level with the peasant central American community, and that if they had their own way to-day, a stronger or more cunning set of men would to-morrow play on them the same trick making government in China nothing but a calculated ruse. That such an ideal is capable of being carried to fruition is fortunately impossible: but were it feasible, all confidence in the future would speedily flee.

THE COLOSSAL NATURE OF THE FOREIGN FACTOR

When we turn from a close view of these happenings, and inquire what will be the ultimate effect of it all on the really decisive factor in Chinese affairs owing to finance—namely the Foreign Powers and that portion of foreign opinion in Europe and America that really counts—we can only give a depressing answer. If it were possible to imagine that this sort of military coup was about to be stereotyped and that government by camarilla to be the dominant force under the mask of the Republic, what possible generosity could China ever expect from a world made stern by the awful lesson of the present war? Chinese plenipotentiaries, seeking to gain concessions for their country, would forever afterwards be addressed in this fashion by the democratic Powers who must become the controlling force of mankind. They would be told:

"We have been for many years anxious and willing to help China because of the vastness of her territory and of the inherent good qualities of the race. But what do we to-day see? Although you toppled over only a few years ago a vicious emperor-system and substituted for it what you were pleased to call a democratic Republic, you have consistently allowed trickery and the threat of armed force to dominate your political life, making a masquerade of parliamentary institutions and allowing men who have seldom done an honest day's work to pull the strings behind the scenes and terrorize the people. Although you say you have a national representation based on property and educational suffrages, we tell you that you do not begin to understand what representative government is. The inherent Prussianism of your thoughts is disclosed by the uses to which you put your police who carry out arbitrary arrests; and by your system of procuratorates, which are a sort of German-Japanese institution, denying to accused men the commonest forms of justice. So soon as officials have been sufficiently long in

office to know their work and initiate any kind of reconstruction, you throw them out, making loyalty and decency impossible, and setting back by your own acts the date of revision of what you call the oppressive Foreign Treaties by many years. This mode of life, reacting on everything, poisons good relations and makes you suspect evil in the simplest occurrences. All men, taking their cue from what they see going on about them, vie with one another in being corrupt, and the result is a community that is stigmatized as without national honour. That being the case there can be nothing for us to discuss. . . . ."—

THE LAST TRICK IN THE GAME.

Now we have said that this is the crude picture which has strangely enough loomed up just one year after the death of Yuan Shih-kai,—an event which it was hoped would be the signal for a genuine nationalist movement which would sweep everything into the melting-pot, and result in an entirely new conception of the State. Although, happily, nothing has yet occurred to close the door of hope, the American Note of the 5th June should be taken by all patriotic Chinese as a first note of warning. The world has been tolerant in the past of revolution and counter-revolutions carried out for so coherent a purpose; but the world will never be so tolerant again. The very name of military dictatorships and camarillas stinks to-day in the nostrils of free peoples. It is imperative for the life of China as an independent nation that the so-called Peiyang Military Party be broken up,—that generals and lesser officers turn away from the restraints of a vicious system, and proclaim themselves at once as loyal soldiers of the Republic knowing one thing only—how to obey. Whilst the present contest can be prolonged for a few days, it cannot possibly last two weeks. For the want of money will soon begin to assert itself and when that kind of crisis comes in China it means the beginning of the end. Already the Japanese have arbitrarily prevented the paying-over of the monthly Salt Surplus although the British, French and Russian representatives were opposed to such action; and every man should read in this act an ominous sign. The arrival of General Chang Haun to-night in Tientsin allows the gamblers a last throw of the dice; but that Chinese will place the interests of their country ahead of every other interest when they realize where they are landing themselves remains the conviction of the writer—stimulating the hope that a settlement is at hand.

DISSOLUTION OF PARLIAMENT.

SOME POSSIBILITIES.

With the exception of the manner in which the manifesto have been issued the dissolution of Parliament has surprised no one. In fact the promulgation of the manifesto has cleared the situation so that all parties concerned now know exactly what their next move should be. Peking waits with intense anxiety for the next move of the Tientsin group of rebels. They are called upon by the manifesto to "repent of their dangerous movement and have errors" but it is doubted if they will at once withdraw their troops leaving the Central Government alone to work out its unsettled plan of organising a new Parliament. So far as Peking is concerned everything may yet be well if the revolting Tu Chuns will now return to their posts to mend their own business but one must be on guard. If Mr. Bellonet's statement that General Chang Hsun has promised to come up to Peking soon after Parliament is dissolved and he will probably fulfil his promise. Now it must be admitted that the aim of Chang Hsun differs in some what respect from that of the revolting Tu Chuns. They have been able to take concerted action for the only reason that all wanted to get rid of Parliament. Now that the common foe is removed they are bound to declare what their individual demands are. The second phase of the revolt will then begin. If Chang Hsun comes up to Peking with his troops, bringing along Mr. Li Chung-hsi, whom he will support as Premier, it is unlikely that the Tu Chuns will at once withdraw their troops from Tientsin. Why should they let Chang Hsun reap all the benefits of the revolt after taking so much trouble. The *Kung Yun Pao* and other inspired organs of the reactionaries reveal their real attitude toward Chang Hsun. General Chang, on his part, is a man who knows no ceremony when he feels he is in control. With his 5000 troops in Peking he is capable of doing a great deal not in open battle against the military support of other parties, but as a means of terrorising and cowing the population and thus keep the officials within his grip. Here we have a beautiful situation.

The Inevitable South.

According to the telegram of General Li Yuan-hung, one of the reasons which prompted him to dissolve Parliament i to maintain the unity of the South and North. It is difficult to see by what stretch of imagination can the North and South be linked together by observing Parliament, against which the Northern generals are so bitter and for which the South is in such strong sympathy to the extent of being paternal. It is hoped that Peking will be contented with the dissolution of the old Parliament and have everything now to proceed in accordance with the provisional constitution but this is of course impossible. If so, then it is idle to hope the South will be satisfied. Unless indeed republicanism has died out in China, there will be trouble from the South sooner than any one here can imagine. Just as the abolition of the Tu Chuns was based on the illogical point of logality on which the revolutionary charge of suppression in the South be settled off by the two illegal mandates issued only yesterday morning. Since dissolution of Parliament is an executive act the South to upset the constitution. The additional violation of law by appointing a general who is not a member of the Cabinet, to be Premier will be adding oil to the fire.

The Falsehood of "Popular Demand."

The suggestion made by certain foreign organs to the effect that all the people care for is a strong government and all the provinces desire is the dissolution of Parliament is at once false and sinister. The same suggestion was given by the same papers when Yuan Shih-kai began his usurpation scheme. It was even said that it was the wish of the people that the Republic should be replaced by a monarchy. Things went on merrily until the Yunnan guns began to thunder at the door of Szechuan, and the revolutionary troops began to pour down the Yangtsze from its very source. No one desires an uprising at this time, but is the step already taken by the Government calculated to calm the South? Indeed, the coolies in the streets do not care a whit who is to rule, a Manchu or a Mongol, but these coolies do not direct the destiny of the race. Indeed the northern generals do not like Parliament but the Northern generals do not control the South, which, every one must confess, is a vital factor.

A Counter-Revolution.

A counter-revolution in the South is therefore a possibility. News appearing in the inspired organs for the next few days must be accepted with great caution as telegraphic communication with the Southern provinces will temporarily be censored or cut off and a shower of "congratulatory telegrams" will promptly be published in the said organs to preatranged programme. We therefore must wait for a few days, say a week, before coming to the conclusion as to exactly what the South intends to do. According to our information. Kuangtuug is already on the move while Kuangsi is preparing to receive the Kuangtung troops and

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to join them on their northward march. A Union of seven southern provinces is being formed. At least five provinces are solidly organised to stand against the Tu-chuns. Li Liehchun, the indomitable revolutionist fighter, and Chen Chun-min, the well-known ex-Tuchi of Kwangsi, are assisting the Tu Chun and Governor of Kwangtung to reorganise the troops under the supreme command of General Li Yung-ting, who has just returned to Canton for this specific purpose. Szechuan is now over with its internal struggle. Danger to the Republic has made the two opposing parties sink their private differences and unite in an effort to combat the common foe. Following the course of revolution northward we find the province of Shensi in a state of upheaval. The Tu Chun, who is a loyal man to the Northern party, has fled the provincial capital on account of the presence of a large number of revolutionaries. The situation in Chihkiang is practically the same. Tu Chun Yang Shaotch is right in the midst of an overwhelming number of Republican troops commanded by Republican generals. Things on the whole do not look too hopeful for an immediate settlement. No, not even in Peking itself, where factional struggle is intense. "For the sake of the preservation of the Republic, the protection of the people of the Capital and the unity of the South and North." How strange this sounds in one's ear!

NEXT MOVE OF THE REBELS.

A STRUGGLE FOR POWER.

Up till late yesterday there was no news about Chang Hsun coming up to Peking although his promise was that he would immediately proceed to the Capital after Parliament was dissolved. According to information received from Tientsin yesterday the rebels are divided into several groups regarding the next step to be taken.

The Militarists.

First must come the militarists headed by Ni Sze-hsiang and Lu Chung-chun. They propose not to form a new Cabinet for the time being. Regarding the position of General Li Yuan-hung they seem to be still in favour of dispensing with him. They are of course as hostile as ever to Vice-President Feng Kuo-chang. Their suggestion is that Hsu Shih-chang should be made President and Tuan Chi-jui as Premier.

The Li Ching-hsi Group.

Next come the Li Ching-hsi group, which is supported by the old Hsui troops. General Chiang Kuei-ti is said to be one of them. The policy of this group is to retain General Li Yuan-hung as Chief Executive and make Li Ching-hsi Premier. This idea is, however, strongly opposed by the Chiao Tung clique.

Independents.

There is what is called the Independent group. This consists of old time officials, who have been for a long time unable to secure official posts. They naturally have no definite views regarding who is to become President or Premier so long as they themselves can get into the Government. The public can easily guess who these old officials are.

Parliamentary Group.

There is also the parliamentary group or Chinputang under the leadership of Tang Hua-lung, ex-Speaker of the House of Representatives. On the whole this group is opposed to Li Ching-hsi becoming Premier. In certain circles it is believed that Tang Hua-lung is eager or at least willing to participate in the formation of the new Cabinet. This is no surprising as he became Minister of Education after Parliament had been dissolved by Yuan Shih-kai. There is, however great hindrance as most of the militarists and monarchists have no patience with professional politicians. Complaints are already heard against the leader of the Chin Pu Tang for leaving them out of the game while seeking to secure fat jobs for themselves.

The Monarchists.

The leaders of the monarchists are Wang Yi-tang, Tuan Jui-lin, Lu Tsung-yu, Yang Tu and others. As these traitors to the Republic have been too bold and thus greatly hampered the progress of the rebels, they do not enjoy much popularity at Tientsin. In view of this they are now willing to "sacrifice" their monarchist plan and promise to adopt a milder form of monarchy; namely, to have a hand in the making of the new constitution.

From the above it is seen that there are at least three active groups competing for "control." Li Ching-hsi, although he has the advantage of being one legally passed by Parliament, does not seem to enjoy much support except from Chang Hsun. As to who is eventually to hold the helm it is too early to say. If Chang Hsun comes to Peking in a day or two things may take a favourable turn for Li Ching-hsi, otherwise, he may be put out of the game altogether.

HOW THE MANDATES WERE SECURED.

Careful reading of the telegram sent out by the Chief Executive to the provinces on the dissolution of Parliament will show that great pressure was brought to bear on General Li Yuan-hung in order to make him sign the mandates concerned. According to persons who called on the Chief Executive yesterday afternoon, the latter was greatly depressed in spirits and manner. His explanation was that he was compelled to dissolve Parliament, under *force majeure*. The following account of the scene which took place in the President's office at midnight day before yesterday is authentic. Upon the return of Hsia Shao-kang from Tientsin and the receiving of the news that Li Chiang-hsi had flatly refused to countersign the mandate dissolving Parliament, a group of high officials including Hsia Shao-kang, Chief Secretary of the President's office, General Wang Shih-chen, Chiang Chao-chung, Chiang Tso-ping and others went to the President's office and when received, surrounded the Chief Executive. They began to persuade General Li Yuan-hung by stating that in order to save the Capital from bloodshed and riot it was absolutely necessary for him to issue the mandate dissolving Parliament. They said that if the mandate was not issued that night the Tu Chuns would take free action and the Capital would be occupied by force and the people thrown into panic and suffering. It was, they said, a small thing for the Chief Executive alone to suffer but it would be serious to allow the revolting troops to harass the people and thus endanger the country. The Chief Executive replied that he was willing to resign at once but the besiegers replied that this would be worse as there would surely be anarchy. Finally some one proposed that Li should issue a mandate in his capacity of Generalissimo but this idea was tabooed by General Wang Shih-chen, who said that would be too glaring a violation of law. As an alternative General Wang proposed that General Chiang Chao-chung should make a sacrifice by undertaking the unpleasant task. He promised that nothing would happen to Chiang if he agreed to do so. Chiang did not refuse. He simply said that if his friends would support him he was willing to accept the burden. So the question was settled that Chiang should become acting Premier whether it was legal or not. The mandates were then carried in great hurry to the house of Dr. Wu Ting-fang who was rudely awakened from his sleep. Eager to be done with the bother he paid little attention to the wording of the mandates and hurriedly applied his small seal not only to the mandate accepting his own resignation but also to the one appointing Chiang Chao-tsung acting Premier. It was too late when he fully realised what he had done. Thus it came about that Chiang Chao-tsung, a general occupying no post in the Cabinet, was appointed acting Premier.

THE MOMENTOUS MANDATES.

LAW CAST TO THE WINDS.

The following is a full translation of the three mandates issued early yesterday morning in connection with the dissolution of Parliament. Comment hereon would be superfluous. Suffice it to say that even the presidency lawyers are silent as to the validity of these mandates from the legal point of view. The opposition against the illegality of dissolving Parliament has been worn threadbare on previous occasions. The only point to be added is that the appointment of a general, who holds an office in the Cabinet, as acting President, creates a new precedent, which if followed, will enable any President in the future to do whatever he wishes by appointing his second deputy without the approval of Parliament. Previous practice shows that no acting-Minister is entitled to countersign mandates except he be a Cabinet Minister concurrently in some other capacity. The same rule should apply to the Premiership which is of far more importance. If this is so, then the mandate dissolving Parliament is illegal apart from the fact that there is no provision in the provisional constitution for the same. As to the presidency organs they are silent for a purpose. To them the whole thing is illegal, even the appointment of Dr. Wu Ting-fang as acting Premier. They do not say any thing, as the time has not yet arrived for them to do so. They are saving ammunition for a big push when even the position of the Chief Executive will be shown to be illegal. The promise of General Li Yuan-hung to retire at an early date is therefore at once significant and unnecessary. The following are the mandates issued :—

June 12.

Wu Ting-fang, acting Premier and Minister of Foreign Affairs, has tendered his resignation. Wu Ting-fang is hereby relieved of his concurrent duties as acting Premier.

Pending the arrival of Premier Li Chung-hui, Chiang Chao-chung is hereby appointed to act temporarily in his stead.

In a mandate issued in June last year I, the President, expressed the view that the completion of the constitution depended alone on the convocation of Parliament, and that in view of the fact that the constitution had not been fixed and the great foundation of the land had not been laid although five years had elapsed since the establishment of the Republic, it was urgently necessary to convene the Parliament with a view that the constitution might speedily be fixed. The principal aim of

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LI YUAN-HUNG EXPLAINS.

A FRANK CONFESSION.

The following is a translation of the telegram despatched by General Li Yuan-hung to the provinces, explaining why he has dissolved Parliament in spite of his assertion that it is a violation of the provisional constitution. The telegram makes no attempt to conceal the fact that dissolution of Parliament is not a legal procedure although in unusual manner it attempts to justify the illegal act. Another significant fact is the conciliatory tone in which General Li seeks in few words to reconcile acted that compasts his heart. The way of the commander is indeed hard. The telegram follows:—

Extra Urgent. To the Vice-President.

Ever since the assumption of office, Yuan-hung has always considered it his duty to respect the will of the people and to carefully adhere to the provisional constitution. Although he has not been able to satisfy all of the people on account of his lack of virtue and capability, the country may bear witness that he has always walked along the path of legality. Parliament has been reorganised but little has been done while in the task of reconstruction-making it has failed to strike the happy medium as to the balance of power between the Administration and the Legislature. This has given cause for complaint. Armed anti-Pangtien have risen in defiance and the whole country is in a state of unrest. All arrows of attack are aimed at Parliament and requests for the dissolution of Parliament in the form of telegrams and petitions have been received in a continuous stream with but one unanimous voice.

As no definite provision has been died in the provisional constitution for the dissolution of Parliament Yuan-hung has held that it is undesirable to improperly yield to the wish of the many by breaking the law. On the other hand he has in vain exhausted his wisdom and energy in trying to settle the dispute and bring back peace. He seriously thought of abdicating his post in favour of some one else who is worthier than him in order to enable him to at once satisfy his original intention of returning to civil life. Troops from various places have closed on Peking and a general staff was organised at Tientsin for the purpose of independently summoning the provinces to its aid. It has also been rumoured that a provisional government is being formed and that the monarchy would be restored. The people are thrown into a panic; and rumours are increasing in crops.

Tu Chun Chang Hsun of Anhui has come to the North with the intention of mediation. He has asked also for the dissolution of Parliament. He has separately communicated with through the medium of delegates, and according to the report of the said delegates Chang Hsun has stated that unless a mandate to dissolve Parliament be issued he would immediately take to the field without declaring so take the responsibility if the troops of the provinces should take independent action. It will then be impossible to control them etc. Little as he is, if the President should suddenly resign at this critical time of uncertainty and panic, it is feared that war will immediately follow. Not only will the lives of Peking and lives of government will both be fundamentally overthrown but the people will suffer in loss of life and property as the result of the internal conflict that will follow. As the capital is the source of the conflict it will feel the heaviest shock than any other place. For the purpose of protecting themselves the foreign Powers will first intervene and finally produce a protectorate over our land. National destruction will open the door for foreign aggression.

After careful consideration Yuan-hung has come to the conclusion that law and order needs must be preserved at the least cost. He can not allow himself to make the millions of people suffer the terrible ordeal of national slavery just because he is still unable to take the easier expedient of self-abasement.

For the purpose of preserving the Republican form of State, protecting the peace of the Capital and the maintenance of the unity of the North and South, he has allowed himself to reluctantly issue the mandate authorising the resolution of Parliament.

He has to swallow his pride in order to bear the great burden that the needs of the moment may be met.

His one object centres him within his heart which labours under oppressed pain and bitterness. His hope is that the provincial authorities, who have joined the revolt, will hereafter decide to turn away (repent) from the dangerous movement and dissolve revolt. He hopes also that other provinces will appreciate his unspeakable difficulty and raise no objection. By doing so we shall be united in mind and determination for saving the difficult situation. As soon as peace and order is restored and the situation somewhat settled, he will certainly acknowledge his guilt and resign to satisfy his fellow citizens. He swears before heaven that he will not go back on his word.—LI YUAN-HUNG.

Continued from preceding column.

at once, and that a new election be held as soon as possible for the maintenance of constitutional government. The proper aim of this reorganisation of Parliament is merely a means to realise our original decision to promulgate the constitution at an early date and not a measure to dispense with the legislating organ of the Republic. Let all of our people understand this point.

(Signed) CHIANG CHAO-CHUNG,
Premier.

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Ans. OCT 26 1917
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Ans.

Peking.

D. No. 1662.

October 24, 1917

STRICTLY CONFIDENTIAL.

710

Arms loan

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to report on the negotiations which have recently been going on between the Chinese Government and Japanese interests, and on the present influence of the Japanese in China.

When the government was reconstituted after Chang Hsun's attempt to restore the monarchy had come to grief, General Tuan Chi-jui, who had taken the leading part in overthrowing Chang Tsun, was the natural choice for the position of Premier. The question was with whom he would ally himself. An opportunity undoubtedly existed at this time to unite all the parties of

China

China in the support of the Republican government. General Yuan's distrust of the Kuo Min Tang was so great that he constituted his government without taking into account in any way the wishes of that party. His government was composed of leaders of the Chin Pu Tang and of the so-called Communications party. These two parties are inherently antagonistic to each other; they have been drawn together by common opposition to the Kuo Min Tang majority in Parliament. The Chin Pu Tang leaders, immediately after the downfall of Yuan Shih-kai, had assured General Yuan that he was their choice for the presidency, in the next election. Among the Communications leaders, Tsao-Ju-lin was closest to the Premier. The real leader of this party, however, remains Liang Shih-yi, whose chief representative in Peking is Yeh Kung-cho, now Vice-Minister of Communications. The disproportionate prominence given to Mr. Tsao Ju-lin through Japanese support is not welcome to the other leaders of his party who do not approve entirely of his policy.

Liang Chi-chao, among the Chin Pu Tang leaders, and Tsao Ju-lin, are particularly friendly to Japan and looked upon as representing the pro-Japanese policy in China. They are however mutually antagonistic and there is a great difference in their temper and attitude. Mr. Liang Chi-chao is a literary man and theorist; he has been befriended by the Japanese since he was rescued by the Japanese Legation in 1898, and has lived many years of his life in Japan; he has a relation of friendship with many Japanese. From his conversations with me and from other facts known to me, I believe that Mr. Liang considers himself a patriotic Chinese who will use Japanese assistance but will not alienate essential

Chinese

rights to them. Not being a practical man however he probably does not see the bearing of some of the measures which he proposes on the ultimate independence of China. Opinion among Chinese as well as foreigners concerning Mr. Liang Chi-chao is deeply divided; some consider him merely a venal instrument of Japan; others regard him as essentially honest but subject to being misled by his theories. On the whole his action has tended towards a great increase of Japanese influence in China. Mr. Tsao Ju-lin is a different type of man, practical-minded and keen. He also associates continuously with the Japanese; one or more of his wives are Japanese and in his pleasures he is the constant companion of Japanese friends. He is outspokenly cynical about his own country and particularly about republican institutions, being at heart one of the most pronounced monarchists in China. He is the chief representative of Japan with the Chinese Government and it is the universal opinion that he is without scruples when it comes to gaining power through financial support no matter from what source.

The prominence of Japanese influence in General Tuan's government, instituted last July, was due to the fact that after all the expenses caused by commissions of various kinds the government felt itself financially dependent; it was made to believe and had some reason to believe that financial assistance could come only from the Japanese. The European powers were not in a position to afford assistance while American institutions were either not interested at all or could not be expected to enter upon financial business until the stability of the country had been more completely restored. Meanwhile the Japanese were only too eager to lend money and that at far more moderate rates than could be offered by institutions that had no political interest to advance.

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The destiny of China hinges on comparatively small transactions and the margin between tolerable existence and distress is so narrow that a million or two million of dollars will exercise an enormous influence. Thus far two Japanese loans have been concluded, the loan of ten million yen made by the Yokohama Specie Bank as an advance to a future reorganisation loan (communicated in my No. 1661 of October 9th) and a loan of twenty million yen made to the Bank of Communications on September 28, 1917, by the Industrial Bank of Japan, the Bank of Chosen, and the Bank of Taiwan (communicated in my No. 1684 of today).

A great many facts are pertinent to an understanding of these loans. The Bank of Yokohama is operating through Mr. Liang Chi-chao, the Minister of Finance, and dealing with him; the group formed of the other three banks is acting through Mr. Tsao Ju-lin. This arrangement has a great many advantages. The two parties composing the Chinese Government are thus engaged in a rivalry for financial support which they can control; the Japanese can go on negotiating with either and without danger of antagonising them. The Yokohama Specie Bank being a member of the international consortium, is restricted by the reorganisation loan agreement; the other banks are not and the loans which they made are labelled "industrial loans." It was at first believed that a large reorganisation loan could be made in which, on account of the war situation, the European partners would have to turn over the leadership to Japan. Mr. Liang Chi-chao planned a reorganization loan of two hundred million dollars; the European governments however pronounced themselves against the policy of China's incurring a large

loan

loan at this time, an opinion which was also impressed upon China by the American Government. The result was that a small advance of ten million yen only was made, being furnished by the Japanese Bank. As the net proceeds of this loan on account of the unfavorable rate of exchange was only about six million dollars Mexican, it did not give any material relief to the Chinese Government. Mr. Liang Chi-chao and the Japanese Bank then took up the currency loan matter, which I shall refer to below. Meanwhile as the utilization of the reorganization loan machinery for the purpose of establishing the Japanese financial control in China was delayed, the other group came forward and acting through Tsao Ju-lin made a loan of twenty million yen. To escape the provisions of the reorganization loan agreement the loan was made to the Bank of Communications and was given the character of an industrial loan. Through incidental agreements the Japanese interests were given advisorships in the bank which will assure them the executive control of this important institution. As the loan is for only three years it is generally believed that the bank will fall entirely under the control of Japan at the time when this loan becomes due, if not before. On account of the close connection of this bank with the entire railway, postal, telegraph, and telephone system of China, this participation bought at so nominal a price, is of tremendous importance, as the investments controlled by the Ministry of Communications and this bank amount to at least six hundred million dollars.

That the money is not being used for strengthening the depreciated note currency of the bank is apparent, as there has been no improvement in the quotations; while the specific

use

of the money is being kept entirely secret there is no doubt that it is being employed for political and military purposes.

When the plan to make a large reorganization loan failed the Ministry of Finance and his Japanese associates concentrated upon "currency reform" and a loan for that purpose. It was assumed that as the reorganization loan consortium had agreed that the next reorganization loan should include provisions for currency reform, there would be no question that Japan would lead in this matter. It was also assumed that while objections had been made against a general reorganization loan at this time, a currency loan would be allowed to pass. Meanwhile the rights with respect to the currency loan agreement were actually in the hands of the British and French banks; the Japanese had only a status indirectly acquired through the agreement among the members of the reorganization consortium. Reliance was however placed chiefly on the fact that the option to the original currency loan would expire on October 14th; and that upon the failure of the British and French banks to take up the option at this time the field would be clear for making the entire loan with Japan. Meanwhile elaborate preparations were made by way of showing a "Japanese interest" in the matter. There was formed an association for the study of finance (reported in my despatch No. 1668 of October 12) which invited a Japanese professor, Hori, to lecture. This gentleman has now arrived and the burden of his opening lectures dealt with the bankruptcy of the Western powers and the need of China to rely upon Japan for financial support. The Minister of Finance sent a commission of ten officials to Japan to study financial arrangements there. The Japanese Government sent one of its most prominent financiers, Mr.

Kobayashi

Kobayashi, to act as financial expert in China. The expectation was that the three prominent positions to be provided for in the currency reform arrangements, namely the Controller of the Currency, the Controller of the Mints and the Controller of Foreign Exchange, should be Japanese.

While he was thus facilitating the assumption of financial control over China by Japan the Minister of Finance, as reported in my despatch No. 1667 of October 12th, appeared to be honestly desirous that the United States should participate in the loan, as he said to prevent the international balance in China from being destroyed. In his eagerness to secure money and to carry out his pet reform he was, however, in danger of committing himself entirely into the hands of Japan should the other nations temporarily be unable or unwilling to take a part. As reported in my telegram of October 10th, the situation appeared almost hopeless at that time; the French and British bankers feared that the option would not be renewed and that consequently the financial control of China would be taken over by one nation. M. St. Pierre, the representative of the French group, expressed himself to me with particular concern and spoke regretfully of the leading part which America had formerly taken in the matter of currency reform. The French Legation took particularly strong action in pressing for the renewal of the option, intimating that it would not show a friendly spirit to refuse to continue the option at this time. It is a great pleasure to me to report the great satisfaction and relief which was felt when the American Government made known its purpose to resume and continue its interest in the currency reform. It was felt that a great danger to the international equilibrium of China and to the independence

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of the Chinese Government had been warded off, because it was felt that the financial dependence of China upon any one country would necessarily bring with it the most far-reaching political re-adjustments, unfavorable to the equal position thus far enjoyed by the different Powers.

Meanwhile the so-called "Arms Alliance" negotiations were coming to a head. For a long time General Tuan had been urged to make a purchase of arms in Japan. As early as the end of July he informed me that he had decided to make such a purchase limited to a moderate amount and intended to fulfill a pressing need which could not be satisfied from other sources and also to furnish to the Japanese a concrete manifestation of friendliness on the part of the Chinese. The Premier, however, insisted from beginning to end that the arrangement would be merely a commercial purchase of a definite quantity of arms. On the Japanese side the expectations were different. The negotiations were carried on by the so-called Tai Hei Company, which was organized by the Japanese Government originally for the purpose of supplying arms to Russia. It is a concern in which the Japanese Government is directly interested and it was given out in Japan that this sale of arms to China was arranged as a special sign of favor by the Japanese Government. The expectations of the Japanese went far beyond a commercial purchase. The term "Arms Alliance" was freely used by the Japanese press. It was foreshadowed that if arms of a certain pattern were once bought from Japan, China might have to explain her action in purchasing from other countries thereafter. So, incidentally to the loan, concessions were demanded from the Chinese Government which are in conflict with its political and economic independence and which practically embody the substance of the

notorious

notorious Group Five demands of 1915. On the ground that the Japanese Government would have to be able to give some assurance that these arms were not to be used for a suppression of the South the appointment of Japanese military and arsenal advisers was demanded. In addition the Japanese Government insisted that a contract for the sale of ore out of the Kolinkan deposits near Nanking should be validated by the Chinese Government. During the last weeks of the Yuan Shih-kai regime, Mr. Chow Tso Chi arranged for an advance of one million dollars by a Japanese concern to a company which had prospecting rights in the Nanking region. Notwithstanding the fact that it had no mining rights the Chinese company engaged with the Japanese that large quantities of ore from the Kolinkan deposits would be sold to them. When the Republican government had been restored in the summer of 1916, the Japanese interests attempted to have this contract validated. The Chinese Government refused. More recently the Japanese Government itself has taken up the matter and has issued special instructions that the validation of this contract must be secured. When it is remembered that the loan or advance was made at a time when no responsible government or firm would have advanced any money to Yuan Shih-kai and that the Chinese company acted entirely beyond its rights, it is difficult to see how the Japanese Government can take this transaction as a basis for a right to be insisted upon. Its action is [illegible] a demand for a new concession. In explaining this demand to the Premier the Japanese Minister stated that as the United States refused to sell steel to Japan it was necessary for his country to seek the control of Chinese ore deposits. When the temporary character of the American pro-

hibition

hibition is considered this argument can be appraised at its true value. The deposit in question contains from forty to fifty million tons of ore; on account of its location with respect to shipping and the transportation of coal and other ores essential to iron manufacture, as well as of the quality of the ore, the Holinkan deposit is essential to the establishment of an independent Chinese iron industry. Its partial alienation amounts therefore practically to the giving up of the possibility of establishing a profitable national iron industry in China. Thus for an advance of one million dollars the Chinese Government jeopardized opportunities and values running into the hundreds of millions.

I have the honor to enclose accounts of a conversation with General Tuan on October 16th and with General Hsu Shicheng, the Vice-Minister of War and principal associate of the Premier, on October 17th. These conversations fully express the attitude of these two men. The fact that they both denied that advisorships would be included shows that they still had hopes of evading this demand. The conversation of General Hsu, however, reveals the inherent weakness of their position. They have been worked on by the pro-Japanese element in the government and affected by the constant -- day by daily -- pressure of the Japanese until they believed that their choice lies only between making the arrangements which are asked for and the absolute political destruction of their Northern military party. When General Hsu left me I had the impression that the immediate object of prevailing over the opposition in the South was more important in his mind than any loss occasioned to

his

his country by the concessions to be made. As many prominent Chinese at present and in the past have done, he appears to care more for achieving his immediate end, and seems to believe that the troubles of tomorrow, which his action inevitably invites, can somehow be taken care of later.

The situation in October, 1917, differs from that of May, 1915, when the negotiations of the twenty-one demands came to a head, in two important ways: At that time the Chinese Government and people were united as one man to resist the encroachments of a foreign power. At the present the financial needs of the government have put the greatest influence in the hands of members of the government who represent Japanese interests. The story of the financial and political power has been dinned so persistently into the ears of official China, the men who have Japanese financial support have been so manifestly successful, that while the bulk of officials feel as they have always felt, the defense of national interests has lost the organisation which it had under Yuan Shi-kai before his power disintegrated. Another important difference lies in the fact that the Chinese press has been muzzled. Here the former French Minister was helpful. Upon his insistence and that of the Japanese, stringent press regulations were made early this year, prohibiting the publication of news regarding diplomatic negotiations. For this reason the Chinese papers do not dare to publish information about what is going on and the public is informed only through word of mouth. Incidentally it is interesting to note that Mr. Tokutomi, the influential editor of the "Kokumin", who is now here, in an

interview

advocated further press control (He also stated that the real way of the Americans in the Far East was not to assist China but to secure control of the Siberian gold mines; as a matter of fact the Japanese Government itself has despatched the professor of mining at the Imperial University of Tokyo with a large staff to investigate the Siberian mines.)

The criticisms which are made of the action of Japan by diplomats and other persons conversant with what is being done and demanded, hinge upon the general indirection of the methods employed. In the ore matter a contract manifestly invalid and made at a suspicious time is made the basis of formal official demands; obligations under the reorganisation loan contract are avoided through making a loan manifestly for political purposes under guise of an industrial loan to a banking institution. The close association of the Japanese interests with a man of the character of Tsao Ju-lin is also not advantageous to them in the judgment of the public. The main criticism, however, touches upon the general temper and tendency of Japanese action which in place of employing all available energy for the purpose of securing the efficient participation of China in the settlement of the present war and the achievement of the common ends of the associated Powers, expresses itself in an unmistakable attempt to utilize the present time and opportunity for displacing the influence of the associates of Japan and making her power predominant in China.

There are herewith enclosed for your information certain editorials and other newspaper articles which express

express the opinion of papers that are left free to speak on account of foreign protection which they enjoy, although essentially Chinese. Meanwhile the Japanese press agencies are busy supplying Chinese papers with materials.

On the development of the Opposition movement in the South I shall have the honor to report shortly. The most important factor in the political situation at Peking is the fear of the government that in case they should not comply with the desires of Japan, Japanese assistance would be given to the secession movement in the South.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

As stated.

A true copy of the signed original.

I:C

Political Conditions & Chinese Loans

4452

Sub.
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Ans.
Ref.
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File.

Peking.

No. 1561.

January 26, 1917.

STRICTLY
CONFIDENTIAL

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The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to report on certain developments in the political situation which may possibly assume greater importance in the near future. The matters which I shall include or suggest in this report are based on confidential information from many different sources. The main tendency which these different reports imply is only just coming to be realized by a few of the best informed people here. It is of course probable that different men and groups, whose action goes to make up this tendency, do not themselves entirely realize it, as they would certainly deny any implication of its existence.

It appears

It appears that the Japanese have finally found an ally in China, who has both unusual ability and official experience, in the person of Mr. Ts'ao Ju-lin, ex-Vice-Minister for Foreign Affairs. Mr. Ts'ao was educated in Japan and has always been on friendly terms with prominent Japanese. Until recently he has, however, taken a national Chinese stand, i.e. that while believing in friendly relations with the Japanese, he did not appear willing to give Japanese agencies a prominent place in Chinese affairs. He seems to have changed now. Mr. Ts'ao was prominently identified with the monarchical movement. He was not, however, among the eight officials who were declared guilty of crime by Presidential Mandate and who are now in exile. Remaining in Peking, Mr. Ts'ao enjoyed great influence as a central figure in touch with men from all the different factions. In November, Mr. Ts'ao was selected to be sent as Special Ambassador to Japan, but Parliament opposed his selection: this caused ~~the~~ a loss of general influence on the part of Mr. Ts'ao, because he was suspected of having identified himself too closely with the Japanese; but it also aggravated his dislike to Parliament. He is now frankly pessimistic about Parliament and the general political capacity of the Chinese, and talks in a very reactionary strain.

The first concrete fruits of his relations with the Japanese consists of a loan agreement between the Bank of Communications and three Japanese institutions, signed on Japuary 20th last. The Japanese concerns are the Bank of Chosen, the Bank of Taiwan, and the Sino-Japanese Industrial Company. The amount of the loan is ¥.5,000,000.; the interest, 7-1/2 per cent; the issue price, par. As security,

the Japanese

the Japanese banks take railway shares and Chinese Government treasury notes belonging to the Bank of Communications. There is to be a Japanese banking adviser.

The loan was not referred to Parliament, on the theory that the Bank of Communications is a commercial institution: this interpretation is not accepted by many and Parliament has begun an investigation into the matter. An interpellation of the Minister of Communications took place in the Senate yesterday, a printed copy of which is herewith enclosed. The loan is considered dangerous by the Chinese for the following reasons:-

It is believed that Japanese interests will henceforth control the Bank of Communications. As the Bank is the Government agency for handling the banking business of the Ministry of Communications, it is feared that the latter Ministry will be involved also in the foreign control as exercised. The Government owes the Bank $18,000,000.: it is feared that pressure may be brought upon the Government for the payment of this amount at inconvenient times.

Simultaneously with the announcement of this loan, His Excellency Hsü Shih-ying, the Minister of Communications, put forward an ambitious scheme for a domestic loan issue of $200,000,000. The motives for this action are puzzling, because the previous experience of the Chinese Government with domestic loans, and the present financial difficulties of the Government, make it impossible to believe that any large amount could be raised in this manner. It is therefore surmised by some that the loan while called a domestic issue, is intended to be taken up in large part by Japanese.

Through

Through being held by foreigners, it would thus be virtually turned into a foreign issue, giving the holders the right to insist upon control should they consider their security impaired or threatened.

The purpose of this loan, as it is announced, is to provide funds to redeem foreign railway loans, and to develop the railway system, as well as the telegraph and telephone services throughout China, and the establishment of iron works, car factories, etc. It will be seen that should a foreign power get a hold of this loan it could exercise a dominant influence in all the communications services.

The Minister of Finance, who is not in favor of this scheme, informed me that the Premier himself had strongly supported it when it was discussed in a Cabinet meeting last week; but that he did not believe that the Premier realized the danger of foreign interference. I have not discussed the matter with the Premier himself, but I believe that he is under the impression that part of the money at least might be raised in China, while other parts might be taken up in different foreign countries without giving to anyone primary control.

The concrete factors out of which the situation I am reporting on is composed, are as follows:

The Japanese loan to the Bank of Communications; the proposed domestic loan of $200,000,000.; the opposition between the Military Party and Parliament; the financial needs, and lack of adequate organization of the Government.

The personal factors are the Japanophile group of

Mr. Ts'ao

Mr. Ts'ao Ju-lin (called the "Four Stars", and including Mr. Lu Tsung-yü as Mr. Ts'ao's chief associate); General Hsü Shu-chung, ex-Secretary of the Cabinet, with his adherents in the Military Party; the Premier, whose right and left hand men are General Hsü and Mr. Ts'ao, but who personally does not participate in their intrigues; the leaders of the Chin Pu Tang, Liang Ch'i-chao, Tung Hua-lung, and Hsiung Hsi-ling; the Kuo Min Tang leaders; and the Vice-President.

While there is no essential unity of purpose between Mr. Ts'ao, General Hsü, and the Chin Pu Tang, they are at the present time apparently working together: this may be accounted for by the fact that both Mr. Ts'ao and General Hsü are frankly hostile to Parliament, while the Chin Pu Tang leaders at present, as they did in 1913, seem ready to sacrifice Parliament for political power, or it would perhaps be more just to say to get rid of the present Kuo Min Tang Parliament, in order that one dominated by the Chin Pu Tang may take its place.

It is therefore urged that the present Parliament should quickly complete the constitution. It is believed that then a move would be made to dissolve it. Should the new consitution be unacceptable to the leaders, it would be submitted to the provinces in order to be defeated by them and again referred to some future Parliament or constituent assembly. Meanwhile, the question as to whether a new Parliament should be elected at an early date or the Cabinet should govern without Parliament would depend upon the situation at the time being. Should President Li prove inconvenient at any stage of this program, the chiefs in this movement may hope that

his

his resignation can be obtained in order that the Vice-President might take his place.

I am informed (by Mr. Liang Tun-yen, as well as from one other source), that the Vice-President has already been approached and the prize of the Presidency dangled before his eyes if he should ally himself with this movement: a great deal depends on the decision which he may make. I am informed that he answered the inquiry by stating that if he were President, he would desire to be the man in control; he is also supposed to have hinted that if placed in that position, he might restore the Manchu emperor. The latter event seems to be in the minds of a great many people. Especially the military and the older officials attribute the present disorganisation of the Government to the lack of a personal authority to which the people are accustomed.

As to the relationship of this movement to the Japanese, I have already stated that Mr. Ts'ao Ju-lin has quite positively, though not openly, allied himself with them; Liang Ch'i-chao has always been friendly to them: between them they seem to have made an impression on General Hsü and the Premier. Those among the Chinese who favor closer relations with the Japanese are of two classes: the first, counting only a very few persons, who are ready to ally themselves entirely and permanently with Japanese interests; the second, who believe that they can make temporary use of the Japanese and still maintain their freedom while using them. Both classes are exceedingly small, as compared with the vast mass of Chinese who desire no entanglements whatever. But

under

under the present disorganization of the Government, a very few men may commit the same to a far-reaching extent.

The Chinese politicians realize that large amounts of money can be obtained from Japan with lax methods of supervision of the expenditure for the time being. This is a great temptation. It is quite generally believed that the ¥.5,000,000., taken by the Bank of Communications, is to be used largely for political purposes; and the control of this amount puts an important weapon in the hands of the men who ~~control~~ expert it.

As to the loan of $200,000,000., it is not likely that the present Parliament would approve of the same, as the Kuo Min Tang leaders are beginning to realize the political dangers lurking therein. Such refusal to ratify the loan would, however, furnish another very powerful reason for the dissolution of the Kuo Min Tang Parliament, in order that the Cabinet might govern without a Parliament or with one of a more docile disposition.

I may also state that the men who are active in this political scheme are bent, as a first step, upon securing the dismissal of Dr. Ch'en Chin-tao, the Minister of Finance, who is classed as a Kuo Min Tang member, although his relations with the party are not of the most intimate character.

The scheme which I have outlined is as ambitious as it is reactionary. The men participating in it would defend it as the only means of securing a coherent organization of the Government. They would undoubtedly plan to carry it through, if possible, without a coup d'etat; but if a coup d'etat is necessary they are ready for it.

They

They seem to be persuaded that an exiled Parliament would not have the means of making a successful revolution. Competent outside observers, however, believe that this scheme cannot be carried through without bringing about an independence movement in the south, and a split in the Peiyang Military Party.

As the latter constitutes the center of what organized political authority remains in China, it is believed by many that the movement is encouraged by outsiders in order to bring about the final breakdown of all authority in China. Some of the principal promoters of the movement I have described appear to be aware of its riskiness, but at the same time they are willing to stake their all on this move.

It is possible that if the Kuo Min Tang can pull themselves together, and establish relationships of cooperation with the Military Party, the movement may never reach its consummation. Among the Kuo Min Tang, however, there are also, as past experience has shown, leaders who do not refrain from using foreign assistance for their political ends.

There are enclosed herewith articles and extracts from the PEKING GAZETTE of January 20th and 26th last, bearing on the situation.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSON.

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A true copy of the signed original.

SATURDAY, JAN. 20th, 1917.

A $200,000,000 LOAN.

SOME SPECULATIONS.

The news that the Government or rather the Minister of Communications has decided to float a domestic loan of $200,000,000 for the alleged reorganisation (Mr. Hsu Shih-yeh is awfully fond of "reorganisation" schemes) of the Government railways, has staggered the public. The scheme is said to have passed the Cabinet meeting on Thursday and is soon to be submitted to Parliament for consideration. It is being asked in every quarter what has led the Government to believe that China is capable of taking up this enormous loan just at this time. Naturally it is being hinted that there is some pre-arranged understanding with some group or groups of foreign banks which have promised to take up at least a portion of the bonds to be issued. This possibility has led the public to recall the loan negotiations by Tsao Ju-lin, when he was Minister of Communications, with Yuan's dying days with a certain group of American banks. It was then rumoured that for a "certain" political purpose Yuan wanted a large sum of money and Tsao Ju-lin who stood in charge of the Government railways in order that he might mortgage the railways to the American bankers for a big loan. The whole scheme came to an end with the death of Yuan Shih-kai. It is now rumoured that it is the intention of the present Cabinet to revive the agreement and to work it out in terms of a domestic loan. But what arouses suspicion is the alleged use to which the loan is to be put. The following is a table showing the application of the sums:

Redemption of the Chang-Tai Railway	$12,000,000
Redemption of the Tao-Ching Railway	8,000,000
Completion and extension of the Peking-Suiyuan line	10,000,000
Completion of other lines	60,000,000
Iron works and iron mines	25,000,000
Railway Sleepers Factory	8,000,000
Railway Car factory	25,000,000
Railway Godowns	10,000,000
Subsidiary business of the Railways	5,000,000
Extension of telegraph service	5,000,000
Extension of telephone service	7,000,000
Electic motor factory (power stations?)	5,000,000
Navigation enterprise	20,000,000
Total	$200,000,000

In certain circles it is believed that the loan is less for the purposes above specified than for others of a far-reaching political character, and incidentally to enable certain officials—who are by habit incapacitated from distinguishing between meum and tuum—getting rich quick.

HSU, THE ASSASSIN

The Chiaotung Bank Loan.

At this stage, Member Cheng Yun-tu made an urgent motion to the following effect: We have all heard about the Japanese loan of $5,000,000 to the Bank of Communications. As the said Bank has a national character, I propose that the Minister of Communications be asked to appear in the House to answer questions. The motion was put to vote and practically unanimously supported. Pending the arrival of the Minister of Communications, the House proceeded with the regular agenda.

Bill 1.

Bill 1, which was returned to the Senate

Bill 2.

Bill 2 dealing primarily with the election of Honorable members of Parliament, is in all about thirty articles. As soon as the Committee on Interpretation of Legislation, especially the section of the Election regulations, the Committee decided to delay any further action pending the receipt of the Senate's decision on the Bill. Member Chu Chao-hsin, however, pointed out that the Committee had already made its decision on the Bill, and that it was now only necessary to report to the House. The Committee's decision was then read out by the Chairman, and it was found that only a small number of members were against the original recommendation. Thus the Bill was referred to the Committee for examination.

Bill 3.

The third Bill was in connection with the term of the members of the Provincial Assemblies. The point for discussion was the date on which the term should begin and how the term should be calculated. The findings of the Committee were that the Bill should be rejectd as impracticable. Member Tuan Heng-chih took the tribune after the committee report and discussed at some length as to the way by which the scheme is proposed could be worked with success. His proposal was that provincial assemblies should be considered as being in their second regular session. Member Chu Chao-hsin supported the recommendation of the Committee on the ground that the term of the provincial assembly should follow that

The General Amnesty Question

The question of the general amnesty [illegible] was the next item on the agenda. [illegible] the Committee [illegible] the Constitution [illegible] the Committee, which [illegible] should be adopted. The ayes were in the majority.

The General Amnesty Question

The question of the general amnesty [illegible] was the next item on the agenda. [illegible] the Committee [illegible] the Constitution [illegible] the Committee, which [illegible] should be adopted. The ayes were in the majority.

Hsu—I am aware of my responsibilities. The Government, however, owes the bank $18,000,000, which it cannot repay. All that is necessary to see is that the money secured must be used for resumption of specie payment, and that there would be no diplomatic complications or any danger of it. As to the former we shall see from that and the latter we are assured by the verbal report of the said bank that there will be no danger of any kind.

Cheng Chiang-hao—Has the Minister of Communications made actual investigations or is he simply repeating the verbal report of the said Bank? Has he ascertained by personal inquiry as to how many of the branch banks are waiting for resumption of specie payment? He has been telling us nothing but the verbal report of the Bank. Can he not give us something more definite? Many days have passed since the interpellation in the House of Representatives. Has he made actual inquiries? Why does he rely so much on the verbal report of the Bank? We were

Hsu—I have disposed the other things the details of the agreement.

Cheng—Should we receive report of the Bank?

Hsu—Yes, but on account of the fact that the Bank has not given us the official report. I did not say there was no policy, but merely said that investment of the bank of funds that Government was unable to participate was going.

Tang, Yu-lin, agent of the Ministry of Communications betrays the inefficiency of the Ministry. There is a case in which certain banks are concerned as well as the Bank of Communications, and in answer to the fact that the agreement was signed on Saturday, the Ministry says that it has received a formal report from the bank. If the Minister admits he is responsible for the Cabinet why does he not look into the matter himself before signing the agreement? All he has said this afternoon is that there are certain

Tang—Was the agreement signed on Saturday?

Hsu—Sir.

Tang—Who is signed on you?

Hsu—Yes.

Tang—If so, why could you not have your report on said facts? Now suppose there should be a discrepancy when the actual terms of the agreement are published, what would you, the Minister, do?

Hsu—I shall then exercise my power of supervision.

Cheng—What is the security?

Hsu—$1,500,000 of shares and $4,000,000 in Treasury bonds.

Cheng—So the Bank proposes to hand over all the rights to the foreigners. This is nothing short of giving all the financial control of the Ministry of Communications to the said Japanese (applause).

Kung Hsue-chen—The Minister has said that the Bank of Communications is a purely commercial bank yet he has also pointed out that the relationship between the said Bank and Government has never been clearly defined. Since the said Bank enjoys special privileges and holds a special position in relation to the Government, we have to look into the question of this loan.

Reply—The Government only added shares to the capital of the said Bank, which has remained commercial in character.

After many more questions, to which the Minister of Communications gave no reply,

4461

Ans'l Trouble between Japanese cooperation with Bandits in Shantung & Mongolia.

Sub.
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Ack.
Ans.
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Ans.

Peking,

No. 1485. May 7, 1917.

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The Honorable

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to enclose for your information an article concerning trouble in Shantung and Mongolia in which Japanese are alleged to be cooperating with the local bandits. The truth of these charges is borne out by reports which constantly reach the Legation from consular officers and others; among them the despatch (No. 26) of the Consul-General at Mukden to the Secretary of State, dated May 3rd last.

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

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Enclosure:
Clipping from PEKING GAZETTE, April 6, 1917.

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FRIDAY, APRIL 6TH, 1917.

PLOTTING AGAINST CHINA.

JAPANESE AND BANDITS AT WORK IN SHANTUNG AND MONGOLIA.

A certain class of Japanese continue to cause trouble for the Chinese authorities in Shantung and Mongolia, where the Japanese consular officials have been looking for excuses to pay their way by means of police stations and railway patrols. In the province of Shantung those belonging to the "Imperial Clan Society" [a movement for the annexation of the Manchus] have been very active during recent months in the coastal regions round about Tsingtau. These gentlemen are said to have their headquarters at Tsingtau, where they enjoy immunity from Chinese jurisdiction and law. Instigators disguised as missionaries, under Japanese protection, are now out in every direction, towards the interior of the province, and they seem to be pretty free in spending money to make friends with the local townfolk. Once the friendship of the latter is gained, the true purpose of their mission is disclosed to the most trusted and a new political party is organized to plot against the Republic. The members of this society are well paid, which explains the reason why the movement has made fairly good progress in enlisting as many as 6,000 ex-robbers and ex-soldiers. The disbandment of the so-called "revolutionary troops" in Shantung has further stimulated recruiting by this sinister organization. Members of the body are divided into two principal classes, the dare-to-dies and the don't-dare-to-dies. They are paid according to their type of courage. Recently it is reported, the plotters have become so bold under the protection of the foreign flag that they have penetrated into the interior such as Chaochow and Chichow, where they have also established recruiting stations. As the railway in Shantung is under the complete control of the Japanese and no Chinese police or soldiers are allowed to approach the railway zone to make arrest, the plotters have no trouble whatsoever in carrying on their designs.

In Mongolia.

In Mongolia the situation is even more serious. Sheng Fu, the Tartar Lieutenant-General of Hulunpir, is reported to be completely under the influence of the "Mongolia Imperial Clansmen Society," which is directed now mainly by Japanese subjects. Officially Sheng Fu is still an officer of the Republic, but secretly he is hand in glove with the Mongolia bandits. Early in the spring a band of Mongolian bandits—the so-called Imperial Clansmen—entered the city of Hulunpir, which the Tartar General passively permitted in order to avoid bloodshed. A detachment of Chinese soldiers was sent there to open the government of diplomatic relations with Germany this force was disarmed. Later efforts were made to send some troops to the said region by the Russian railway but the Russian authorities flatly refused. Not long ago the Tu Chun of Heilungkiang sent his chief of staff to Hulunpir to investigate as he had heard of the Tartar General's disloyalty and the latter has actually joined the Mongolian bandits. He now reports that Sheng Fu, the Tartar General, has actually been persuaded or forced by threats to join the Mongolian bandits by certain foreigners. He was told that if he would join them he would be appointed the elected Commander-in-Chief of the expeditionary troops (against China,) using Hulunpir as the base of operations. If he should refuse to comply with their request he would be decapitated together with his family. As the Mongolian bandits were in force in the city the Tartar General was cowed into submission. The Chief of Staff also reports that secret conferences have been going on at the yamen of the said Tartar General and the plot thus laid by the agents of the Japanese may be put in action at any time. The people of the city are greatly alarmed by the situation and those who can afford it have moved out of the city into the foreign concession. Steps are being taken by the Tu Chun in co-operation with the commanders of troops. The situation there, to say the least, is critical.

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NOV 17 1917

Peking,

D. No. 1725.

November 17, 1917

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The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to transmit despatch No. 47 from the Consul General at Canton, dated November 2, 1917, dealing with the political situation, and particularly to report that the request to issue instructions to the Consul General at Canton to prevail upon the Military Governor not to precipitate a crisis was also made on this Legation. I believe, however, that the results of such a demarche would not be beneficial, and therefore did not issue any instructions. The report of the Consul General at Canton indicates that the representations made by the British, French and Japanese Consul General did not have the desired effect. The Consul

General

General states: "The representations made by several of the local consuls here concurrently with the orders of dismissal have tended rather to make even more remote and impossible a peaceable adjustment of the issues involved in the present situation."

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosure:

Copy of despatch No. 47 from Consul General at Canton.

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A true copy of the signed original.

Second Secretary

NOV 20 1917

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Ans. NOV 20 1917
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4488

Peking,

D. No. 1749. November 20, 1917

Confidential

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The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to report that on November 16, 1917, GeneralTuan Chi Jui, the Prime Minister, and his whole Cabinet, resigned. On November 17th extended meetings took place between the Cabinet and the President, at the end of which the resignations were withdrawn. Today it is again expected that the resignation of the Premier will very shortly be again presented. Even should he remain, it is likely that the Chin Pu Tang members of the Cabinet will resign.

As I previously intimated, it was not unlikely that the Premier would voluntarily withdraw in order to facilitate harmony between the North and the South, with the expectation

that

that he would return to power later with a good chance of becoming President. The desire for retirement has come sooner than was anticipated. In the meantime the authority of General Tuan has been greatly weakened. His representative, General Fu Liang-tso, can not maintain himself as Tuchun of Hunan; as previously reported this official was made the subject of concentrated attacks on the part of General Tuan's opponents, who desired to test the latter's authority at this point.

The attempted dismissal of General Meng, the Tuchun of Kirin, proved unsuccessful. Orders given to General Lu, the officer in command at Shanghai, instructing him to give military support to General Fu Liang-tso, were disregarded by the latter, though of course in polite terms.

The result of these various instances of defiance of authority was that though the power of General Tuan's Cabinet rests avowedly upon a military basis, its military orders did not carry beyond Peking.

There is no question that General Tuan's authority was greatly weakened through the common conviction on the part of the Chinese that certain members of his Cabinet, particularly Mr. Tsao Ju-lin, the Minister of Communications, as well as General Hsu Shih-tseng, ViceMinister of War, had fallen completely under Japanese influence and were attempting to put through certain contracts and agreements highly unfavorable to China. The popular dissatisfaction on this score came to a head when the Viceroys of the Yangtse River provinces addressed the Central Government with the demand to make explanations on that point. The nature of the charges currently made against the Cabinet of General Tuan will be apparent from the enclosed newspaper articles which cover the period of the past

ten

ten days.

The National Council which has been convoked and had its inaugural meeting on November 10th, has not strengthened the Central Government, and its existence has already become a negligible factor.

Foreign opinion was typified by the following statement made to me by one of the most experienced of my colleagues: "The universal disapproval of General Tuan's Cabinet is a promising sign, it shows that there is a limit to what will be endured by the Chinese people. Moreover, it proves that the attempt to govern by military power without regard to the underlying principles of the Constitution can not be successful. General Tuan's authority is so shaken that his retirement can be a question only of a short time. It is a pity that he did not surround himself with better advisers."

I have the honor to be, Sir,

Your obedient servant,

PAUL S. REINSCH.

Enclosures:

Various newspaper clippings regarding political situation in China.

Copy of despatch No. 1599, from Consulate General at Shanghai.

800.

A true copy of the signed original. F.L.B.

FALL OF CHANGSHA INTO REBEL HANDS

SIGNIFICANT JOINT TELEGRAM FROM 4 TUCHUNS.

CHANG TSO-LING PLACES

4 ARMY DIVISIONS AT TUAN'S DISPOSAL.

By a Mandate issued last evening, General Tuan Chi-jui was relieved of the office of Minister of War, and General Wang Shih-chen was appointed his successor. General Tuan will be compelled to resign the Premiership for the second time to-day, it is predicted in political circles.

The fall of Changsha into rebel hands yesterday and the receipt of a significant joint telegram from four Chihli Military Governors last evening defying the orders of the Central Government to fight to a finish and urging the cessation of hostilities in the south-west and the reported declaration of independence of Hupeh by its Military Governor constitute the climax of this political drama in which President Feng Kwo-chang is playing the leading role.

The political situation during the last twenty-four hours has so developed that unless General Tuan Chi-jui leaves the Cabinet, the Military Governors of Chihli, Hupeh, Kiangsi and Kiangsu, will probably all declare independence of Peking and that if he resigns, his powerful supporters in the provinces will probably revolt.

General Tsao Kun, of Chihli, General Wang Chi-yuan, of Hupeh, General Chen Kwang-yu, of Kiangsi, and General Li Shun, of Kiangsu, who circulated the joint telegram last evening in which they threw down the gauntlet, are supporters of President Feng. They first started the well-nigh uncontrollable conflagration. General Chang Tso-ling, Military Governor of Fengtien, General Chen Shu-fan, Military Governor of Shensi, and General Ni Shih-chung, Military Governor of Anhwei, who are supporters of General Tuan Chi-jui, responded and also circulated telegrams stating that the Prime Minister must not resign. General Chang has gone so far as to place at the disposal of General Tuan his four army divisions, which can be used for any purpose. The Cabinet yesterday received a highly important telegram from him stating that these four divisions are equipped with arms and ammunition and supplied with money by himself and that all General Tuan has to do is to use them for any purpose he likes.

"I was surprised to learn of the resignation of General Tuan and his Cabinet associates," says the Lieutenant-General of Kalgan, General Tien Chung-yu, in his telegram received yesterday. "The resignations, if accepted, will be fraught with dangers to the nation. I earnestly hope that the President will not accept them."

All the Chinputang Ministers resigned again, and they are determined to leave the Cabinet. Mr. Liang Chi-chiao's second letter of resignation was sent to the President yesterday morning at ten o'clock although he is still attending office. Mr. Wang Ta-hsieh, Minister of Foreign Affairs, will send in his resignation in a day or two, although he has recovered from his recent indisposition.

At an interview with the Prime Minister, General Hsu Shih-cheng, Vice-Minister of War, presented his resignation again, and expressed his determintion to leave the Ministry of War.

The stage manager produced the first act of this drama that is being enacted before the world on the 15th instant, when the Military Governors of Kiangsi, Kiangsu and Hupeh sent in a joint telegram urging the cessation of hostilities, and staged his second act yesterday when another joint telegram of a similar nature was received. If Prime Minister Tuan does not go, the stage manager will have

to produce the third act, which will be even more dramatic, but which can most probably be dispensed with. A Chinese news agency reported the declaration of independence by the Military Governor of Hupeh yesterday. Certainly, this is a part of the third act, but it appears rather too premature.

The joint telegram above mentioned, which was signed by General Tsao Kun, Military Governor of Kiangsu, General Wang Chi-yuan, Military Governor of Hupeh, General Chen Kwang-yu, Military Governor of Kiangsi, and General Li Shun, Military Governor of Kiangsu, and which was dated Nanking 18th instant and received in Peking at six o'clock last evening, reads as follows:—

"The various Ministries in Peking, Mr. Hsu Shih-chang, Hsiung Hsi-ling, Tuchuns of the provinces, Lieutenant-Generals of Kalgan, Chenteh and Kweihua, General Lu Yung-hsiang, Co-Director of Military Affairs of Kiangsu, and Admiral Jao, of the Admiralty at Shanghai, Mr. Tsen Chun-hsuan and Sun Hung-yi, Shanghai.

"The military operations in the south western provinces have endangered the foundation of the State and the country will certainly perish if the internecine strife is prolonged any further. We, Tsao Kun, etc., being unwilling to witness sons of the sacrad Hwang Ti murder one another have been endeavouring to do our best to secure an amicable settlement and have offered to the Government our conscientious advice. A short while ago we dispatched a circular telegram to Peking, addressed to the President and Prime Minister and also to General Lu Yung-ting, Inspecting Commissioner of Kwangtung and Kwangsi, care of Nanking and Wuming, Tuchun Chen Ping-kun, Canton Tuchun Tan Hao-ming, Nanning, Tuchun Tang Chi-yao, Yunnan, Tuchun Chow Tao-kang, Szechwan, Tuchun Liu Hsien-shih, Kweiyang, General Wu Kwang-hsin, Changching, Commanders Wang Ju-hsien and Fan Kwo-chang, Changsha, as follows:—

"It is to be regretted that since the revival of the Republic after the recent Manchu Restoration, at a time when the energies of the Government should be devoted to the straightening out of the tangled skein of administrative affairs, we have been carrying on a suicidal civil war between members of the same family. After a careful search we have arrived at the conclusion that the causes of the present trouble lie in the misunderstanding brought about by the differences in various quarters. These causes have their origin in the selfish machinations of a handful of plotters who have been founding parties and cliques to propagate their mean plans. Therefore, what are euphemistically referred to as political views are really nothing more than party prejudices, and what is often spoken of as a desire to save the country is really nothing more than a determination to ruin the country. That is the reason why as soon as civil war has broken out its suppression becomes a matter of impossibility. We, Tsao Kun and others, have during the past few months been constantly in great anxiety and fearful that the extinction of the country might overtake us at any moment.

"The suspense has caused our blood to boil and our sorrow has consequently greatly increased. We are aware that we stand indescribably weak in the eyes of the world and we are afraid that before the European War is ended the greatest disaster that can ever befall Asia will have taken place. We would already be too late if we began to retrieve our errors at once, as we have financially reached the worst position possible and yet are drinking poison to quench our thirst and cutting our own flesh to satisfy our hunger.

"The north-eastern provinces are enduring the effects of the floods and the south-western provinces are suffering from the dire consequences of civil war, whilst the people of other provinces are moving from one place to another in search of food, and commerce generally is at a perfect standstill. The worst symptoms of a national collapse are appearing before our eyes and it is heartrending to recount them in detail. Our house is tottering and yet we who are living within are still quarrelling amongst ourselves, but although destruction of the whole region is imminent we are still engrossed in trying to bring about our mutual ruin. When we

realize the gravity of the general situation we shudder at the absence of calm and we become so indignant that our eyes are dried of tears.

"Now civil warfare is as dangerous as a conflagration. Unless it is put out in time it is bound to grow to enormous dimensions. Therefore, it behoves us to take warning from the failure of the late President Yuan Shih-kai. To murder members of our own race and to quarrel amongst ourselves to the inevitable advantage of the bystanders is not discretion. We must remember that if we should win victories over our own people we would simply call forth ridicule from our neighbours. Moreover, in case both sides sustain defeats, ruination must be their common end.

"The Government, in placing reliance upon Hunan, has failed to secure any support from it, whilst the southwestern provinces in trying to conquer Szechwan have failed to achieve their object. Is it the part of gentlemen and honest men to drive their fellow-countrymen to desperation and force them to receive showers of bullets? The longer the civil war is prolonged the lower will the national vitality sink, and the more extensive the fighting front grows the greater will be the hardships of the people. We feel assured that you gentlemen who have the protection of national interests at heart and possess wisdom and tact for coping with the exigencies of the time are able to distinguish the path of danger and safety. As the present trouble arose out of political misunderstandings, we, Tsao Kun and others, have, in spite of our ignorance, been crying aloud before the various parties with sobbing voices. But as our sincerity has been misinterpreted our efforts have proved fruitless and consequently we are feeling ashamed of ourselves beyond measure.

"However, since the present trouble arose we have made minute observations of the real wishes of the people and have been basing our plans upon the President's desire to effect a compromise, and we have not ceased to arrange for a peaceful settlement between the contending parties. Our sole object is to avert a national disaster and lay the foundation of a unified China, and we hope that our ignorant but earnest suggestions have already merited your consideration. As the situation is becoming more and more critical we feel we are unable to restrain ourselves any longer. Therefore, we beg again to request you to consider our original suggestions and implore you on behalf of our four hundred million people that you will be good enough to consider the danger of the destruction of the whole nation and the miseries of the people and issue immediate instructions to the provinces ordering them to cease hostilities at once, so that each side might confine itself within its own borders, and neither will encroach upon the other and consultations might be held for a settlement of the squabble in an amicable way.

"In the meantime we wish to place ourselves at your disposal to act as mediators. We also beg to submit the view that if the Government will meet its opponents with perfect frankness and treat them as members of the same family we doubt not that everyting can be arranged satisfactorily and there is no question that cannot be settled accordingly. On the contrary, if both sides attempt to conceal their views, it will be impossible to expect peace to reign again in the country. You on whom the attention of the people of the whole country as well as that of foreign residents is focussed at the present moment must realize that by virtue of your position, whatever you do to-day will be recorded in history, and on whomsoever the blame lies posterity will judge with impartiality. With you, therefore, to turn the scale of the present situation is as easy as to turn the palm of your hands, and we hope that you will not fail to remember that with you entirely lies the responsibility of saving the nation from ruination, and that the slightest movement on your part in the right direction is sufficient to effect the salvation of the nation, etc."

"The above telegram was jointly signed by us and we are confident that your love for the country and the people will prompt you to associate yourselves with our suggestions.—Tsao Kun, Wang Chan-yuen, Chen Kwang-yuen and Li Shun."

Political situation

Plan for international ~~civil service~~ in Siberia

In reply please refer to File No. 800

To Dept Feb 8

THE AMERICAN CONSULATE

Harbin, China.

January 16th, 1918.

FILE
Second Secretary

L No. 12/18.

SUBJECT: Russian Plan of Organizing a Military Force at Harbin with Allied Assistance.

800. Har

The Honorable

Paul S. Reinsch,

The American Minister,

PEKING.

Sir:

I have the honor to inform you that on December 29th Colonel Pekhlivanoff, appointed by the Russian Provisional Government as Commander of the Priamur district in Eastern Siberia, with headquarters at Habarovsk, called at the Consulate and requested the assistance of the American Government in organizing a military force intended to recover control of Eastern Siberia for the Provisional Government. Colonel Pekhlivanoff also applied to the British and French Consular representatives for similar assistance. He did not, I understand, approach the Japanese and Chinese representatives.

The scheme Colonel Pekhlivanoff had conceived was to secure the support of the Railway Authorities and with their aid to organize a force of about 8,000 or 9,000 reliable Russian and Cossack troops at Harbin. These were to form

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the nucleus of a new army which he considered would be increased to about 20,000 men by volunteers as soon as the scheme was in full operation. He intended to use what equipment and money the Railway Authorities had in their possession, and supplement this by contributions from the Allied Governments. The force was to enter Eastern Siberia, secure possession of Vladivostok, and gradually work westward along the Railway, recapturing the several towns from the Bolsheviks now in possession, until it could join up with what is believed to be an army of 50,000 Cossacks, under General Dutoff, now said to be at Chelyabinsk, near the boundary between Western Siberia and European Russia. Enclosure No. 1, in quadruplicate, is a rough outline of his idea.

I have not reported this matter to the Legation before because, in view of the conflicting factions and the disorganization of the Russians generally, I did not think the plan feasible, even though some means might be devised to put it into effect in accordance with recognized principles of International practise. I have now made an investigation of the situation, with the assistance of Major Drysdale, and independently of him have to report such facts as appear, and my opinion as based upon them.

About a week after Colonel Pekhlivanoff's appearance, the representatives of a certain group of military officers at Harbin approached the Consulate with a similar scheme. They said they were working to the same end as the Commander at Habarovsk, but not in association with him. They claimed to represent a group of officers working secretly, entirely on their own account, but with the knowledge of

General

General Horwath and General Samoiloff, the Commander of the forces in North Manchuria. Their recognized authority, they said, was the Russian Minister at Peking, and they were in communication with him through the Acting Russian Consul General here, Mr. N. Popoff.

On the 8th and 10th of January, respectively, this group of associated officers came to the Consulate to discuss their idea with Major Drysdale and myself. We assured them that our sole present interest in their scheme was that of listening to what they had to say, and of acquainting our Government with it for such consideration as the United States Government might consider advisable. On the other hand the association of officers informed us that we might discuss them and their plans with the Acting Russian Consul General, as representative of the Russian Legation, but not with any other persons. They were not to be mentioned to either Generals Horwath or Samoiloff, as these men were in no present position to admit any connection with the scheme. Following are the names of the officers: Colonel N. V. Orloff, Chief of the "Association"; Lieutenant-Colonel V. V. Vanukoff, Assistant Chief; Lieutenant A. A. Blosveld, Assistant Chief and Quartermaster; Captain V. K. Martensen, Artillery; Captain G. M. Semenoff, the Cossack officer who has energetically despatched the Bolsheviks from the region about Station Manchuria, and who was appointed by the Provisional Government Commander of the Mongol-Buriat Cavalry; Ensign S. L. Smirnoff, Aide to Captain Semenoff; J. T. Stchelokoff, a civilian, acting as their"medium of communications".

These officers FIRST outlined a scheme for the organization of a volunteer militia force which is to

supersede

supersede the Chinese troops now guarding the Chinese Eastern Railway. It is to be called the Railway Militia Guards, and is supposed to function only in the Railway Zone. It is to consist of the following:

25 Companies	Infantry, 250 men each,	6,250
10 "	Cavalry, 147 " "	1,470
10 "	Machine Guns, 50 men each,	500
3 Batteries,	4 guns each, 120 mounted men,	360
2 Position Batteries,	equipped with 8 - 3" Field Guns.	240
	Total force	8,820

Their SECOND scheme is to raise an International force at Harbin, which should operate from this point to relieve Eastern Siberia from Bolshevik control and work westward to General Dutoff, as suggested in General Pekhlivanoff's scheme. Their suggestion was that approximately 7,000 reliable Russian soldiers and Cossacks could be secured in two or three months to form the Russian contingent; the remaining 13,000 or 14,000 men would have to be made up of Japanese, American, British and other Allied troops. The Chinese were not to be included. They emphasized the special desire to have American and British troops participate in order that the Japanese element would not possess too great a preponderance.

As a basis of the Russian contribution to this organization they stated that they now had 4 troops of cavalry variously stationed in Manchuria, composed of 560 men; a half battery of 70 men and about 500 Cossacks in the vicinity of Station Manchuria under Captain Semenoff. All these men except some portions of the cavalry, say 200 men, were

thoroughly

thoroughly in sympathy with their cause and could be relied on. Furthermore there were 6,000 Cossacks who had formerly been under arms, commanded by Semenoff, who had been disbanded and permitted to go to their villages because there was no money for their equipment and support. These men could be relied upon to enroll themselves in the proposed organization. The Association thought they could be brought together in about two weeks.

When the officers were asked what they could command in the way of arms, ammunition and supplies, they replied that the Russians could furnish nothing at all. The arms taken from the Bolsheviks had been scraped up wherever they could be got; such as old Mexican rifles, and discarded arms from the junkshops of the world. The soldiers had extracted the powder from the cartridges and sold it to the Chinese. A few officers were going about now trying to buy back from Chinese dealers the rifles, pistols and sabres which the soldiers had sold for practically nothing. "Besides", said the officers, "whatever arms and equipment there are of any value would have to be left for the use of the local militia."

It thus developed that the Russian protagonists in these schemes had nothing to offer except their personal belief that once such a force was organized, fully equipped and well paid by the Allies, a considerable force of Cossacks and Russian soldiers willing to continue fighting would be attracted join it. Doubtless this is true. Yet, except the Russian Minister at Peking, they could offer the name of no powerful or remarkable man willing to ally himself with their cause. They could show no real following, nor a knowledge of any actual resources at their command. When

asked

asked to find out how many arms or what quantities of ammunition were in the hands of the Russian Military Authorities in North Manchuria, each one of the officers seriously replied that not anybody knew.

Major Drysdale and myself then suggested that, upon the assumption that a scheme similar to that advanced by them might be considered by the Allied Governments, they give us an idea of what they had on hand, or could count upon, and what kind of an equipment would be required from the Allies. At the second meeting with us they produced the list attached herewith as Enclosure No. 2. It indicates their belief that the force needed to begin the movement should be about 20,000 men, of whom 7,000 could be supplied by the Russians. Of course they anticipate that when this organization has begun to move, it will gather mass like a snowball. The list of necessities does not strike me as having been made up from the careful calculations of practical man.

We told the officers that we would report their proposal to the American Government, and that in due time they would be informed of its position. I said, however, that no such scheme could possibly be inaugurated with the hope of success unless the full approval of China and Japan had been obtained beforehand.

On the 11th instant Major Drysdale and myself called upon General Samoiloff. We asked the General how his plan of organizing a volunteer militia force to guard the Railway Zone was progressing. He stated that 200 officers had already been enrolled as privates and were doing duty. About 200 more Cossacks and discharged soldiers had been enrolled and 200 Cadets were daily expected from Irkutsk.

Already

Already the nucleus of his new forces was being used in place of Chinese soldiers to guard the stores and ammunition go-downs. He hoped in the course of the next three months to enroll a total of roughly, 9,000 men as guards in the Railway Zone. They would then wholly take the place of the Chinese. They wanted, of course, field guns and ordnance, but the main thing they hoped to obtain in the way of assistance from the Allied Powers was a complete supply of modern rifles. Could they be obtained from the United States?

Major Drysdale pointed out that it would be very difficult to train such a force of men to the use of modern arms in so short a time. The General replied that they were accustomed to Japanese arms. The greatest difficulty was to get men to take the oath to obey their officers. They were not willing to do that. The General wanted the rules and regulations for organizing Military Police in the United States - - - a democratic country - - - to model his organization upon them.

General Samoiloff was full of his plan to organize a militia force to operate in the Railway Zone, but when I inquired if it might not be possible to utilize such a force as the nucleus of a larger organization to defend Eastern Siberia from liberated prisoners of war and their adherents, he seemed hardly to have heard of the subject before. But just before the interview ended he asked me what I thought the attitude of the Chinese was going to be toward the plan of a Railway Zone Militia? He felt sure that the Chinese were very nervous about it, as for several days they had been flitting between General Horwath and himself, asking questions. Did I think the Chinese would make trouble?

I

I replied that of course if the Chinese conceived the idea that the Railway Militia was to be directed against China and her rights, they would probably take a serious view of it; but that so long as China was assured that the Russians had no other intention than to protect their interests, within the limits of the Treaties, I did not see very well how the Chinese could object. I did not think it necessary to say that two days previously the Taoyin had indicated to me that the Chinese were fully alive to the movement and were watching it with concern.

We then went to see Mr. Popoff, the Acting Russian Consul General. He could not be made to say that he was acting in any manner in support of the officers association. All he could say was that he was a Cossack, and therefore an Anti-Bolshevik. He had reported the suggestion to organize an armed force, supported by the Allies, at Harbin; it had come to him from many sources; but he could not state what attitude the Minister at Peking would take toward the proposal. Of course such an organization, with intent to operate in Eastern Siberia, would have to be effected "under the flag", or under the pretence of being a militia organization for the protection of the Railway Zone in Manchuria. It was all very secret and intangible. The members of the officers' association had sworn a secret oath to each other to give their lives, if necessary, to the cause, and to succeed; but success was not yet certain. They could do nothing without the assistance of the Allies.

Finally we went to General Horwath. About December 28th, while I was ill in bed, General Horwath had sent for the British Consul and had asked him to approach me upon the question of the possibility of the Allies organizing

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an International force at Harbin (the General suggested Kwanchengtze as the proper rallying point) of 20,000 men which could be utilized for wresting the Railway and Eastern Siberia from the possible aggression of German and Austrian prisoners and their sympathizers. He had said at that time that if the Allies could supply the equipment and money he and "the persons he represented", would undertake to supply the men, take care of the necessary transportation and contribute such munitions as they had at their disposal. I now reminded General Horwath of his suggestion, and I was not surprised to hear him deny that he had ever made it.

The General said that what he had told Mr. Porter had been merely the suggestions of others. Personally, he had no faith in the scheme. He might be wrong, it might be that if such a force were actually organized and equipped (that is Allied troops and a few ardent Cossacks) its fame would spread and the peasant-soldiers would hurry from their villages to join it. He thought however that the fighting spirit could not be looked for any longer in the Russian mass. For the most part General Horwath sat like an amiable Buddha and wandered in platitudes among subjects far away from Manchuria. There was no question in our minds that he did not wish or did not dare to admit any part in the proposal.

My opinion, based upon the facts as I have them, is that at the present time the scheme of organizing an International force at Harbin, under Russian leadership and for the purpose intended is impracticable, and probably unnecessary. The total lack of strong leadership among the Russians, the complete disorganization of their society, the war-weariness of the masses, the disorganized and inadequate Railway

facilities

facilities in Siberia, the lack of any central idea common to the many political factions - - - all strike me as insuperable obstacles to any real success if the organization, and authority over it, is entrusted to Russian hands.

On the other hand if the Allied Governments consider the raising and equipping of an Allied force, under Allied leadership, to establish control of Eastern Siberia of practical value in determining the issues of the war, it would doubtless find a good many individual supporters among the Russian officers. It would probably meet with little armed resistance in gaining control of the Railways and the principal points in Eastern Siberia. The question I cannot answer affirmatively is, would it serve any purpose sufficient to justify it?

Among the Russian leaders in Manchuria I consider the prime motive behind any support they may give to the proposal is that of getting together, at the cost of the Allies, a sufficiently equipped force to regain from the Chinese control of the Railway Zone. Instead of thinking the militia scheme a blind to hide the raising of an International force to invade Siberia, I view the latter as a stratagem by which they hope to get money and arms enough from the Allied Governments to equip a force for North Manchuria. The smaller conspirators may be sincere and visionary; the larger ones are selfish, know what they want and see a way to get it. Without money and equipment from the Allies it will be a long time before the Russians in Manchuria will be able to regain the prestige and control that passed from their hands on the morning of December 26th, 1917.

From the viewpoint of Allied interests, it is needless

needless for me to discuss with the Legation the possible position of China in the matter, and of Japan likewise, as far as the legal nature of the proposal is concerned. The conspirators have hardly taken the rights of China or the inclinations of Japan into consideration at all. But if the situation in Russia becomes such that it requires Allied intervention in that country, it could hardly be pacified by any such force as the Allies could establish at Harbin unless it were very hugely augmented by Russians, and I do not believe that they can be counted upon to considerably augment it. If, because of the activities of liberated and organized Germans and Austrians who were prisoners of war, it should become necessary for the Allies to temporarily control Vladivostok and Habarovsk, such action would, probably, be left to the unalloyed forces of a certain one of the Allied nations. China, with the Allied Governments' assistance, could be counted upon to successfully oppose Teutonic control of North Manchuria, including the Railway. Hence with the Railway in the hands of the Allies as far west as Station Manchuria, and the Amur River to Habarovsk, I do not think that much could be gained by attempting to send other forces farther westward into Siberia. If Germany opens free communications with Russia on the Western front, we cannot do much more at this end to hinder their free exchange of commercial relations.

I again call the Legation's attention to the fact that the proposal finds none of the notable Russian men here espousing it with any enthusiasm. So far, all the advocates I have seen were mediocrities or visionaries. The more substantial men either oppose it on principle, or do not have enough faith in its possible success to ally

themselves

themselves with it. Finally, I hear that tha plan instead of gaining adherents is losing them. A number of officers have said frankly that they would have nothing to do with it because it is counter-revolutionary in its intentions, even to the point of planning a restoration of the old absolute monarchy. This does not strike me as so improbable as it may seem. When one finds, almost without exception, every one of his Russian associates of the better class expressing a desire to see the Germans take control in Russia (rather than to remain in Bolshevik hands), he is inclined to think that the shadow of Absolutism is still to be wrestled with. Russia is bound to be, for many years yet, a country and people of violent reactions, the pendulum of public emotion swinging in a wide arc from one extreme to the other - - - and the greatest help for them can only be worked out from the inside. Small insurrectionary or salutary forces organized on foreign soil, equipped with foreign money, and animated by foreign interests will not affect much of an impression.

Nevertheless, because I feel that my data and the conclusions I have reached from it may be all wrong, I am, with the Legation's approval, sending Major Drysdale to Irkutsk and afterward to Habarovsk and Vladivostok. I feel that if we can help these people we ought to do it; but that our information at the present time is so insufficient and unreliable that we cannot afford to act upon it. Rumors of every variety and chimerical schemes of every color come out of Siberia daily. A few days ago two earnest Americans, William E. Smith and E. K. De Witt, Y. M. C. A. workers of experience in Russia, came from Vladivostok to talk over with me the organization of an international army here.

They

They were prepared to establish themselves in Harbin for an indefinite time and, without compensation, to devote themselves to assisting their Russian friends in the development of the scheme "to free Siberia". I told them that our Government was informed of the plan, and we were getting date upon it; but that so far our attitude was solely that of a good listener. I tried to point out to them the legal aspect, as I conceive it, of their positions as private individuals engaged in such a propaganda. They also had not considered that Harbin was in China, but only that it was outside of Russia. While we were talking, a young woman was announced to see me, but she was admitted into the room before I could speak and at once greeted them as old acquaintances. They whispered together and she left the Consulate without exchanging a word with me. The Americans said that she was the wife of one of the Russian patriots, a gallant officer they had known in Vladivostok. His name was Baron Ostensaken, and he had once lived in the United States. The Baron and his wife and some of their compatriots had fled to Harbin to carry on the work, and because the Bolsheviks had "put a price on their heads".

That was on Sunday, two days ago. Yesterday, at General Horwath's New Year's reception, General Samoiloff drew me aside and asked me in whispers if I had sent a young woman to see him the day before. I replied that I had not, but that one unknown to me had been to my office, and described her. He said that the same woman had gone to him on Sunday afternoon saying that she had been sent by the American Consul with a secret message. The General had declined to receive her. This afternoon her husband came with Mr. Smith

to

to talk with Major Drysdale. I talked to Mr. Smith privately and told him that I would not even meet the young man, but I had no objection to Major Drysdale's securing from him any information he could, providing all communication between them took place at the Consulate. Mr. Smith promised me that he would immediately drop all connection with the whole intrigue.

I mention the circumstance only to emphasize to the Legation how extremely important I feel it to be that Americans in this region should not allow themselves to become involved as individuals in factional or revolutionary activities in Russia - - - and how difficult it is to preserve the role of an inquirer only at Harbin. In accordance with the Department of State's instructions and with our own sense of the position, Major Drysdale and myself are making every effort to avoid the slightest appearance of being anything more than mere reporters of the currents that flow around us.

I have the honor to be,

Sir,

Your obedient servant,

Enclosures:

1 Outline of Colonel Pekhlivanoff's Scheme.

2 Equipment Desired by the Officers' Association.

800

ENCLOSURE No. 1 DESPATCH DATED, 16 JAN 1918

MEMORANDUM OF SCHEME

OUTLINED BY COLONEL PEKHLIVANOFF FOR RE-ESTABLISHING ORDER IN SIBERIA.

Colonel Pekhlivanoff, who is the officer Commanding the Priamur District appointed by the Provisional Government, called on the afternoon of the 29th December, and stated what was his plan for re-establishing that Government in Siberia, with the assistance of the Authorities at Harbin.

The plan was, roughly, as follows:

To collect a force in Eastern Siberia which should gradually work westwards and re-capture the various towns from the Bolsheviks. In the Colonel's opinion, it should be advisable to take the highest authority appointed by the Provisional Government in Eastern Siberia or in the Chinese Eastern Railway Area, and give him temporarily the position of Governor of Priamur, Ussurisk and the adjoining districts in Siberia. As a matter of fact, at present the senior such authority is General Horwath. The General has in his depots a large quantity of arms and ammunition, and the departure of the Bolshevik Drujinas will make an economy in the Chinese Eastern Railway's budget of several million roubles yearly. If the General cannot provide sufficient financial aid, it is proposed to ask Allied assistance, which would have to be applied for in any case as far as materials and supplies are concerned. The Chinese Eastern Railway has, however, yet another source of supply, the Boxer indemnity.

The

The Colonel proposes then, having secured the help of General Horwath and the Allies, to bring the good elements among the soldiers in the Railway zone together, and to create a sort of "Bataillon Sacrè"; this last has already been begun, with the enlistment of ex-officers etc., who are forming a small corps of guards. With this body of men it is hoped to form a nucleus of a new army, to which is to be added the Cossacks corps of Ussurisk and the Amur, who after deducting those already mobilized, can bring up about 2,000 men, while the Za-Baikel Cossacks will give about 6,000 men. The Colonel has firm confidence in these men, and is himself quite ready to place himself under General Horwath's command if the scheme goes through.

All connection with Western Siberia being cut off, the only means of working to save Russia is through the East, basing movements on directions fron London, where the Russian Ambassador is Acting Minister for Foreign Affairs.

A true copy of the ~~signed~~ original
Leyf

ENCLOSURE No. 2 DESPATCH DATED, 16 JAN 1918

ESTIMATES.

The strength of the forces desired should be about 20,000 men.

Number of Russians available is as follows:

1. Infantry, 5 battalions, 4,000 men.
2. Cavalry, 4 companies, 600 men.
3. Artillery, 630 men.
4. Railway men.
5. Telegraph operators.
6. Sappers.
7. Men to operate machine guns on armoured trains and motor cars.
8. Aviators.
9. Telephone operators.

} about 1,700 men.

Total about 7,000 men.

INTERNATIONAL ASSISTANCE.

List of Necessities:

1. Armoured train consisting of 4 cars and engines equipped with mounted machine guns.
2. Six armed motor cars, of which four are equipped with machine guns and two with mounted guns.
3. Forty machine guns mounted on horses or carts, with full equipment including cartridges.
4. Batteries: 4 guns of 5 or 6 inches and 10 guns of 3 inches, with a good supply of shells.
5. Two aeroplanes, with additonal parts.
6. Two lightly constructed motor cars.
7. Ten to twelve thousand hand grenades.

8. Twenty-five field telephone operators, two central stations with wiring for 40 or 50 versts, and all the others necessary equipped.

9. A few additional operators with all necessary equipment.

10. Full equipment for sappers.

11. Instruments for repairing roads, telegraphs, etc.

12. Sanitary equipment such as wagons, stretchers, medicine, etc. etc.

13. Four thousand rifles.

14. Six hundred Cavalry carbines.

15. Six hundred artillery carbines and three hundred swords.

16. Various arms and pistols.

17. For officers; since they are not equipped with other arms, six hundred revolvers are necessary.

A true copy of the signed original
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Political conditions

No. 135.

AMERICAN LEGATION.
SEP 11 1918
PEKING

NOTED
I.V.
G.

AMERICAN CONSULATE,

Amoy, China, September 3, 1918.

FILE
Third Secretary

To Dept
Nov 6

Subject: Political Conditions

The Honorable J. V. A. MacMurray,

American Charge d'Affaires,

Peking, China.

800.

Sir:--

I have the honor to confirm my two telegrams to the Legation:

> September 1, 10 a.m. The condition of affairs here is serious. Fighting is expected. The Standard Oil installation particularly is endangered. Is it possible to send warship immediately? At present British "Cadmus" and two Japanese destroyers are in the harbor.
>
> September 2, 7 p.m. My pobri. Conditions are much worse. Can I expect a war vessel?

Since my report to the Legation on August 29th, matters have grown worse much more rapidly than was anticipated. The Northern army is completely demoralized and now is roaming the country without any organization whatever. Chang-chow was evacuated with no fighting August 31st, and the retreat back on Amoy has continued ever since. My mention of the particular danger threatening the Standard Oil Company's installation is due to the fact that the retreat has been conducted, as I surmised it would be in my last report, along the Changchow-Amoy railroad. No trains are running, but the defeated soldiers are pouring down on foot in a constant stream. When they arrive at the terminus of the railroad at Sung-su they are compelled to wait some time for junks and launches to bring them to the fort on Amoy island. This Sung-su terminus is immediately behind the Standard Oil Company's

installation, and the conduct of the Northern soldiers there gives rise to considerable apprehension for the safety of the installation. They have looted adjacent villages, and while no attempt so far has been made to harm the installation, there is no guarantee that the newly arrived soldiers will respect. Early in the morning of the 1st I took the matter of the protection of the installation up with the Local Foreign Commissioner, telling him that I would hold the government absolutely responsible for anything that occurred there. In a later conversation he assured me strict orders had been given that the installation was not to be harmed, and I subsequently have received a communication from him in which he accepts responsibility for any unfortunate occurrence. The fact remains, however, that conditions at Sung-su are the same now as on Sunday morning.

Contrary to what was thought a week ago, it now appears that there will be looting in Amoy. These defeated troops are arriving in great numbers, and it seems almost certain that if the Northern officials flee suddenly, as many think will happen, there will much disorder before the Southern troops arrive to take possession of the city. The Southern forces today are at Chioh-be, a city about ten miles from Amoy on the Changchow-Amoy railroad.

Preparations have been made to protect so far as is possible foreign property in Kulangsu and in the British Concession in Amoy. A Consular Body meeting

was held yesterday afternoon. At this it was decided to write the Commissioner of Foreign Affairs and inquire what the officials intended to do; what steps had been taken to protect foreign property, and also what steps would be taken in connection with the interned Germans on Kulangsu. This meeting then adjourned, after considerable discussion of the best ways to defend ourselves in case of necessity, with the agreement that another meeting should be held this morning to consider the Commissioner of Foreign Affairs' reply. To this meeting the Secretary of the Municipal Council, the Chairman of the Municipal Council, and the commanders of the men-of-war in the harbor were invited.

At the meeting held this morning, the reply of the Commissioner of Foreign Affairs was found to be most unsatisfactory. A copy of this will be sent the Legation when the Senior Consul has had time to have copies made. In general terms it assured us that the officials were quite capable of controlling the situation; that the "tu fei" were giving considerable disturbance, but rumors were all out of proportion to what actually was occurring; that operations were proceeding on the Kuangtung frontier; and that the Government would take care of the interned Germans.

As this was so unsatisfactory, the Consular Body proceeded to make its own plans. Five places were selected as rallying points, where all foreign residents of the island shall come if there is any trouble of magnitude on Kulangsu. If necessity arises the signal is to be given by the ringing of church bells and the blowing of the whistles of the war vessels in the harbor.

Arms and ammunition are to be stored in the principal rallying places, in such quantities as will arm every man who probably will rendezvous there. Each person is expected to go to the rallying place nearest his residence.

The question of what to do with the twelve Germans on the Island gave considerable difficulty. It was finally decided that they are to be instructed immediately by the Kulangsu Municipal Council to go to the Council buildings if the signal is given, and that they shall be interned there until the trouble is over.

The British Consul and Commander Hilliard have made plans to protect the British Concession on Amoy by the erection of barricades and twenty-five sailors with machine guns. This leaves only twelve marines which the Cadmus could put on shore in Kulangsu. They, with the assistance of the Japanese, are expected to cope with whatever trouble arrives, while the men of the community patrol the regions around their rallying places. The police force here consists of fifteen Indians and about thirty Northern Chinese. The assistance that the Japanese marines can give is problematical, as the two destroyers have relatively small crews and it is the intention of the Japanese Consul to use some men to protect the Japanese in Amoy.

If anything of importance occurs I will report by telegraph. I will also report when the danger of trouble is ended, and in the meantime I have the honor to request that if an American warvessel becomes available, it be des-

patched with all speed to Amoy. The isolation of Sung-su will keep the British and Japanese from doing much in the way of protecting the Standard Oil installation there--in fact, if trouble is happening simultaneously in Amoy, they will be able to do nothing. The British have made no preparations to protect the installation of theAsiatic Petroleum Company, which is on Amoy island, about one mile from the forts, and which, if looting and the destruction of property occurs, certainly will be in grave danger.

This afternoon from the British Cadmus sixty sailors and marines are to be landed and paraded over the principal roads of Kulangsu, and later returned to their ship. The Japanese are to have a similar parade in the morning and the British will repeat to-morrow afternoon. It was agreed to do this at the Consular Body meeting this morning. The idea, of course, is to show that preparations have been made to deal with any disturbances created by bad characters among the enormous number of Chinese who recently have come to Kulangsu, and also to try to calm the better class Chinese who for the last few days have been very much alarmed.

I have the honor to be, Sir,

Your obedient servant,

Andrew J. Brewer

American Vice Consul in Charge.

Political conditions
Yalu River

POLITICAL CONDITIONS IN SOUTHEASTERN MANCHURIA.

R B 7

AMERICAN LEGATION,
SEP 10 1918
PEKING

From Consul,

Antung, China, September 7, 1918.

4 M.I.

Sept. 10

BANDIT ACTIVITY ON THE UPPER YALU

893.00

During the night of August 31st, or very early in the morning of September 1st, some 200 or more bandits raided the small "Hsien" town of Chi An (輯安), which is situated 170 miles up the Yalu River from Antung. By a strange coincidence this raid occurred exactly a year after the same town had been captured by Japanese troops in 1917, and to make the coincidence the more remarkable the numbers of the bandits and of the Japanese troops were practically identical.

The damage to the town was large, for while the total population is only some 2,000, over twenty large shops were looted and burned and over 100 hostages, including over 20 Koreans and three Japanese, were carried off to be held for ransom. Fortunately the only American interests, an agency of the Standard Oil Company of New York, escaped without injury, while it is reported that the agency of the Asiatic Petroleum Company (British), including a considerable stock of

kerosene

kerosene oil, was destroyed. On September 3rd a strong force of troops was despatched from Fenghwangcheng which will endeavor to break up this band of bandits that has now been operating for some months. Owing to the mountainous and wooded nature of the country it is probable that the troops will not be able to accomplish anything beyond compelling the band to scatter and thus possibly effecting the release of the hostages.

As has repeatedly been pointed out in reporting such incidents, the only possible method of preventing trouble of this kind would be the effectual prevention of the import of arms, and this measure is rendered impractical by the facility with which lawless characters can at all times secure ample supplies of arms and ammunition from Japanese smugglers. Since this smuggling could easily be stopped by the Japanese authorities in Korea, their failure to take any effective steps indicates that they are not averse to the occurrence of disturbances along the border that may possibly give them excuses for interference in Chinese jurisdiction.

JAPANESE ESTABLISH OFFICIAL SCHOOLS FOR KOREANS IN THE CHI AN DISTRICT

During the latter part of August the Chinese Magistrate at Chi An (輯　安) reported to his superiors that a Japanese official of the Chosen Government at Chin shan (楚　山), whose name in Chinese characters is 青木次郎 had, together with a party of Japanese assistants, crossed

over

over into the Chi An District and established a large number of official Japanese schools for Koreans. The same officer also requested the magistrate to give these schools all due protection. The official designation of the schools is "Japanese Schools for Koreans" (日本韓僑學校.

As the establishment of official Japanese schools in Chinese territory for Koreans, many of whom are naturalized Chinese citizens, seriously affects China's sovereighty, and since the large number of Koreans in this district, estimated at 50,000, makes the problem a serious one, the magistrate has requested that his superiors take the matter up with the higher Japanese authorities.

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I L N
Secretary /1E

Quarterly Rep't #3.

S B Exp

Peking.

D. No.2348

November 29,1918.

AMERICAN LEGATION
DEC 5 1918
PEKING

Dupl
800.

To the Honorable,

The Secretary of State,

Washington, D.C.

Sir:

I have the honor to enclose herewith the third quarterly report of conditions and events in China--for the period from July to September,1918, inclusive--prepared by Mr. MacMurray, who was in charge of the Legation during that period.

It is greatly regretted that, by reason of his having been for some time disabled by an attack of influenza, the preparation of this report has been considerably delayed.

I have the honor to be, Sir,

Your obedient servant,

Enclosure:

Quarterly Report(Number three)

For Dept.
11-29-18

QUARTERLY REPORT (NUMBER THREE)
OF IMPORTANT EVENTS IN CHINA, July to September 1918.

1. POLITICAL INFORMATION.

A. Domestic

(1) Political Observations and Developments.

The quarter under review represents what, it is to be hoped, will prove the lowest ebb in the national and political life of China; in it, the disintegration of governmental authority, and its perversion to the profit of a small clique of military leaders, reached a development that was a reductio ad absurdum of the whole practice of Government in China at the present time. As was pointed out in the Minister's second quarterly report, there is a type of "military leaders" to whom war is a pecuniary business rather than a profession. To the Tuchuns of this type, the possession of armed forces is an asset in the nature of a claim upon the Government for the maintenance of those forces as well as a means for impressing upon the Government the urgency of such claims: in general, their troops are neither in actual numbers so considerable as represented by the respective leaders, nor are they in training or equipment adequate for serious military operations: but by their mere existence in readiness for a hypothetical military purpose, they contribute to the political prestige of their respective leaders, in addition to being of financial profit. It is, of course, necessary as a warrant for their existence, however, that there should be some plausible military objective in view; and for this purpose the war between North and South has for the leaders of this type on both sides constituted the most acceptable and satisfactory occasion to warrant the

continuance

continuance of the system which has, during the past few months so greatly developed and increased its influence in the politics of China. The civil war has, therefore, become in the minds of most of the Tuchuns a vested interest which they have not been prepared to relinquish for the sake of national unity or for the sake of saving their country the enormous waste of money and resources and the even more serious disadvantage of having to obtain the necessary funds, by the only means immediately available, from foreign interests which have exacted rather far-reaching political commitments in exchange for such accomodation.

The continuance of the civil war has not, however, involved any very considerable military operations during the period under review; except for operations of no great significance in Szechwan, Hunan, and Fukien, there has throughout this period been a virtual truce between the contending armies.

While this somewhat technical condition of war suffices as an occasion for the tinsel militarism which the Tuchuns make their trade, it is of course impossible for that trade to thrive solely upon local perquisition, and the means for carrying it on must therefore necessarily be found elsewhere. It is generally reckoned that during the summer, the maintenance of the forces commanded by the Tuchuns ranged on the Northern side has cost between $10,000,000 and $15,000,000 per month in excess of the available revenues of the Peking government. The deficit has, of course, had to be made up by foreign loans;

/and

and for the time being no loans for that purpose were available from any but Japanese sources; and even as among Japanese sources, the official group (represented by the Yokohama Specie Bank) was precluded from making independent loans to the Chinese Government for political purposes, by virtue of the Inter-Bank agreement of 1918 by which the British, French, Japanese, and Russian financial groups (formerly, also, the German group) associated themselves in the Consortium for China business. The military group in control of the Peking Government, therefore, found itself compelled to deal with the recently formed Japanese syndicate including the Industrial Bank, the Bank of Taiwan, and the Bank of Chosen, represented in Peking by Mr. Nishihara, who was understood to be a personal representative of the Japanese Prime Minister(Count Terauchi), and who in his various loan negotiations with the Chinese Government acted at least ostensibly in entire independence both of the official Japanese banking group and of the Japanese Legation in Peking. A somewhat confusing element was introduced by this dualism of Japanese activity, inasmuch as the diplomatic mission on several occasions denied the progress of any negotiations, even after the time when (as subsequently appeared) those negotiations had led to an agreement; and the Yokohama Specie Bank, representing the official group, at least once had occasion to join with the other Consortium Banks in a protest against the infringement of their rights by action taken by the Chinese Government in pursuance of arrangements made with

/Mr. Nishihara

Mr.Nishihara. It nevertheless appears from an official report issued in August by the Japanese Ministry of Finance, on the subject of the financial activities of the Japanese Government in China, that the various transactions conducted by Mr. Nishihara had been approved and carried out with the co-operation of that Ministry; and certain contracts for railways in Manchuria and in Shantung, and projects in connection with the development of the iron industry, subsequently dealt with by him, were recognised and adopted in an official statement issued early in October by the Ministry of Finance after the Hara Cabinet had replaced Count Terauchi's. It was the peculiarity of a number of the loans thus made to the Peking Government that, while contracted ostensibly for industrial purposes, such as the construction of railways, and the development of timbering and mining industries, they contained none of the usual provisions to assure that the proceeds should be devoted to the purposes specified, but on the other hand provided for very considerable advances to be made immediately; and in each of such cases, the money advanced has been found to have been spent in meeting the demands of the several Tuchuns for military expenses, the contemplated industrial development has made no progress towards a beginning, and the projected enterprise is burdened in advance with heavy obligations for the funds already mis-spent, with the result that its possibilities of success as a commercial undertaking are so seriously compromised as to raise the question whether the Chinese negotiators themselves foresaw any prospect

/other

other than eventual foreclosure by the Japanese lenders.

The titular head of the Northern Government, Acting President Feng Kuo-chang, remained a political nonentity, restive under the control actually exercised by the military clique, and frequently taking private occasion to deprecate their activities, but invariably yielding and excusing his weakness on the ground that it would only lead to greater trouble if he were to assert himself during his remaining tenure of office (expiring on October 10th). The Premier, General Tuan Chi-jui, continued to exercise all such authority as remained in the Peking Government - although in fact he was less active than obstinate in his subservience to General Hsu Shu-cheng, who controlled in his behalf the politics of the Northern military party, apportioning appointments and funds among the several Tuchuns in such a manner as to reconcile so far as possible their personal interests with the corporate interests of the clique; and his manipulations throughout this period were successful in preventing any open break among the principal members. He was not successful, however, in reconciling the group of Yangtse Tuchuns under the leadership of General Li Hsun, of Nanking, who maintained their attitude of somewhat critical aloofness from the other Northern leaders. In the meanwhile, the provider of the necessary funds was Mr. Tsao Ju-lin, Minister of Communications and concurrently Acting Minister of Finance, who either alone or in association with Mr. Lu Tsung-yu, negotiated - in most cases without the knowledge even of the subordinates in his own Ministries -- the various loans upon which the Government subsisted.

The

The so-called Canton Government, reconstituted under a military directorship as described in the Legation's second quarterly report, maintained its hold upon the Southern Provinces, and somewhat strengthened its military position in Hunan and in Northern Kwantung and Fukien. The old Parliament, which had been ousted from Peking in June, 1917, obtained a quorum during the summer, and convened as the authoritative legislative body of the Republic, still professing to recognize Ex-President Li Yuang-hung as being the actual President although prevented from exercising the functions of that office.

During the summer there developed among all classes of the Chinese people, apparently in the South no less than in the North, a deep and resentful realization that the civil war was a political unreality - a quarrel involving no essential difference of principles or purposes, but kept alive solely as an occasion for the advantage of those in a position to profit by the borrowing of funds for the upkeep of military contingents. Public opinion in China is a thing hard to estimate; but it would seem that even among the usually apathetic majority of the Chinese people there was at last generated a feeling of bitterness at the way in which everything was being sacrificed for a purposeless continuation of strife. This resentment was, of course, more keenly felt among the more intelligent minority, and was perhaps strongest among the younger men in the various Ministries and Boards of the Government, almost without regard to their antecedents or political affiliations. It would seem that the weight of public opinion eventually made an impression even upon the more reactionary of the military leaders, and convinced them that

they

they were overdoing the profitable system which they had developed, and must at any rate make some concession to appearances by uniting and supporting the election to the Presidency of someone outside their own clique. In a conference held at Tientsin early in August they therefore determined to support Ex-Premier Hsu Shih-ch'ang (to be carefully distinguished from General Hsu Shu-cheng) an old civil official of fine reputation as a scholar, and commanding possibly more general respect in China than any other man in public life. It is to be feared, however, that in agreeing to support a candidate of such deservedly high repute, the Tuchuns' conference was not unmindful of the fact that despite his really fine attainments and high-mindedness, Mr. Hsu is not considered a man of energy or of forceful character; so that the military leaders perhaps reckoned upon the possibility either of bring him completely under their influence, or setting him aside - as they had been able to set aside Ex-Presidents Li Yuan-hung and General Feng Kuo-chang - in case he should prove intractable. There was also some reason to believe that among the Tuchuns were some who counted upon the possibility that in the latter event, it would be possible to bring about a restoration of the Manchu Dynasty with the acquiescence of Mr. Hsu, who has been a guardian of the deposed emperor, and who is believed to be sympathetic and loyal to the Imperial house.

The decision as to the candidate to be supported for the Vice Presidency proved more complicated, as General Hsu had unfortunately found it convenient at various times to promise this office both to Tsao Kun (Tuchun of Chihli),

and

and to Chang Tso-lin (Tuchun of Fengtien, or Mukden). In some way not generally known, the claims of General Chang were satisfied or disposed of; and the choice of the conference fell upon General Tsao Kun - on the condition that he would make merit by undertaking to pursue actively the war against the south, he being Generalissimo of the Northern forces; and General Tsao undertook to meet this condition if furnished with $3,000,000. for necessary military expenses. Various installments (perhaps amounting to $2,000,000) have been paid for this purpose to Tsao Kun, from time to time, as he found himself more and more nearly ready to leave his capital at Paotingfu and proceed towards the fighting front in Hunan; but he has not yet gone beyond his Province and has not yet been elected to the Vice Presidency.

The decision of the conference of Military Governors at Tientsin, as to the election of Mr. Hsu to the Presidency, was in fact if not in theory conclusive; for the Parliament which convened in August, after election in pursuance of the law of January last, was of course dominated by the military party, and could be relied upon to carry its decisions into effect. Mr. Hsu was accordingly elected to the Presidency by the Peking assembly on September 4, by an almost unanimous vote, to assume office on October 10th. In this election he was supported not only by the military element, but also by the Chihtsung party, which hoped that his personality might be a compelling factor in bringing about a reconciliation in the country, and make possible a gradual transfer of authority back to the civil officials, from the hands of the military group which has of late been in control. This same element likewise

wise opposed the election of Tsao Kun, or indeed of any other President, in the hope that by leaving this office vacant there would be a greater possibility of accomodating the ambitions of the Southern leaders; and in view of the divergence among the partisans of the military party as to the candidacy of Tsao Kun, the Chihtung faction have exercised the balance of power in preventing an election.

At the time of the Tuchuns' conference in Tientsin, when their insistence upon the prosecution of the civil war gave emphasis to the partisan and personal character of their influence in the Government, there was an important defection from their own ranks: General Wu Pei-fu, commanding the Southern invading forces in Hunan as second-in-command to General Tsao Kun, began to issue circular telegrams advocating the cessation of hostilities and the settlement of the contest with the South; and during the latter party of August he actually ordered the troops under his command to cease fighting, and withdrew them out of touch with the opposing southern forces. For these pacific tendencies he was, of course, reproved by his superiors and denounced as disloyal by the other militarists; but he was not relieved of his command. Although there is obviously room for the supposition that General Wu had disloyally entered into an intrigue with the Southern leaders, it is by no means certain that that is the case; impartial opinion is inclined to credit him with having acted courageously and patriotically in the hope of turning his military associates from the insensate policy which they were pursuing. Whatever may have been his motives, his action brought about the cessation of the desultory military operations, and presented

sharply

sharply the issue whether the Northern Government should persist in its wasteful and ineffectual attempt to subdue the South. And upon the election of Mr. Hsu to the Presidency, it became clear that he was whole-heartedly in favor of a reconciliation and proposed to exert himself to find some acceptable basis of compromise. As against this intention, however, there was the strong pressure of the militarists who occupy positions of controlling influence in the Government, and the lack of funds for the paying off and disbandment of the armies and for the settlement of the expenses incurred by the Canton Government.

The Southern Government had in fact been in a financial situation even more desperate than that of the North. Of the national revenues levied within the Provinces controlled by the Southern troops, the Canton Government had indeed possessed itself of the salt taxes; but the Customs revenues were beyond its reach by reason of their being pledged as security to the foreign powers for the payment of the Boxer Indemnity and of various international loan obligations. Early in September, the authorities in control at Canton did inform the Commissioner of Maritime Customs at that port that they proposed to take possession of the Customs House and administer the Customs revenues; but upon intimations being conveyed to them, in behalf of several of the Legations, that any foreign sympathy for the Southern cause would be alienated by the seizure of revenues pledged to meet obligations for which the Peking Government was internationally recognized as responsible, the Canton leaders took occasion to deny that they had ever entertained such an intention. There have from time to time been reports of loans made by the Southern Government from Japanese sources, but it has thus far been impossible to verify them.

During

During this quarter, the political situation in China was much affected by conditions in Siberia. On July 9th, General Horvath, the Manager of the Chinese Eastern Railway (the Russian-controlled link, through Manchuria, in the Siberian Railway system) proceeded from his headquarters at Harbin into Russian territory, and just across the frontier, at Grodekovo, declared himself dictator of Siberia if not, in fact, of all Russia. This action was considered by several of the allied Ministers in Peking - who, by reason of there being no diplomatic representatives of their Government in Siberia, were at that time entrusted with the management of Siberian questions - as introducing a further complication into a situation which was already very delicate and dangerous. On July 12th they accordingly transmitted, through the Russian Legation, a joint representation in behalf of the British, French, and Japanese Ministers, urging General Horvath to withdraw his proclamation and return to Harbin - a representation to which General Horvath returned a negative answer after a fortnight's delay. The Chinese Government likewise took the attitude that by undertaking this political venture, General Horvath had foregone his position as Manager of the Chinese Eastern Railway, and could be recognised only as a private Russian citizen in the event of his returning to Chinese territory: but this position was tacitly abandoned when the Horvath movement attained a certain measure of success. Early in August General Horvath proceeded to Vladivostok and for a time exercised a certain measure of control in Siberia: but the subsequent development of his movement had no further direct effect upon the situation in China.

A phase of the situation in Siberia which more directly affected China began when the American and Japanese Governments

ments agreed upon military co-operation at Vladivostok, in the latter part of July. At that time the British, French and Italian Governments arranged to despatch contingents of from 600 to 1600 men, partially made up from their Legation and railway guards in China, to join in these operations; and the Chinese Government also prepared a force of some 2000 specially selected troops, and after some delays incident to the difficulties of transportation through Manchuria, placed them in the neighborhood of Nikolsk, somewhat west of Vladivostok. The Southern (Amur) line of the Siberian railway between Lake Baikal and Vladivostok, was in the hands of Bolsheviks and liberated enemy prisoners of war: the Chinese Eastern Railway (i.e., the Southern section, passing through Chinese territory) was therefore the only means of rail communication between Vladivostok and the region in which Semenoff was operating more or less independently against Bolshevik forces just west of the Russo-Chinese frontier at Manchuli. The military importance thus accruing to this line occasioned several suggestions that it should be controlled by Allied forceswith a view to the extension of operations westward into the region of Lake Baikal. The arrangements for eventual military co-operation between Japan and China concluded in March last, provided that such co-operation should be undertaken only if and when it should become an actual military necessity. At the end of July, in response to somewhat insistent urging by the Japanese military representatives and advisors to the Chinese Government, the Chinese concurred in a formal statement that such a necessity had actually come to exist. On August 14, the Japanese Legation announced to a representative of the Premier, that his Government proposed to dispatch 5,000 men to north-western Manchuria to

oppose

oppose the German-Bolshevik menace, and inquired whether the Chinese Government would be prepared to co-operate under the terms of the existing arrangement, the condition precedent to whose effectiveness had now been recognised: the Chinese authorities at once undertook to despatch a force of 10,000, but were informed that in view of the shortage of rolling stock on the Japanese-controlled South Manchuria Railway, it would be impossible to convey the Chinese forces over the section from Mukden southwards until the Japanese expedition had been transported. To their considerable chagrin, therefore, the Chinese authorities were unable to despatch to Manchuria for a fortnight or so the troops destined to co-operate with the Japanese. In the meanwhile, the Japanese troops had occupied the railway westward from Harbin, in some cases displacing from their barracks the Manchurian Provincial troops already stationed along the line, and ousting Chinese patrols from the guarding of bridges and other strategic points. Though it would perhaps be easy to exaggerate such incidents, there does in fact seem to be more than sufficient evidence that in constantly recurring cases the Japanese forces by their high-handed and overbearing conduct antagonised not only the Chinese but such other foreign forces as were later dispatched to that region of Manchuria. The Japanese forces were subsequently greatly increased - to a number variously estimated but perhaps as high as 40,000. In addition to guarding the line of railway, they also dispatched expeditions northward to Heiho (on the Amur river opposite Blagoveshchensk) and westward into Outer Mongolia. Throughout the region in which they operated, the Japanese forces made use of military notes, in terms of Japanese gold yen instead of local currency, in payment of requisitions for supplies - a practice

resented

resented by the Chinese as introducing a further complication into the difficult problem of Manchurian currency.

During the first week of September, the Czecho-Slovak forces in western Siberia succeeded in possessing themselves of the main line of the Siberian Railway system eastward from Lake Baikal, thus opening communications from European Russia to the Far East. The German-Bolshevik forces thus dislodged from the Trans-Baikal section of the railway retired to the line of the Amur Railway, concentrating at Blagoveshchensk, where eventually they were defeated and dispersed by the Allied Expedition advancing from Vladivostok. The Japanese expedition in Manchuria advanced westward along the railway into Russian territory, to Chita: the Chinese forces, however, did not proceed beyond their own territory.

Throughout the Allied operations in Siberia and Manchuria, the question of the control of the Chinese Eastern Railway was of paramount importance. The right of constructing this line through Manchuria had been conceded by the Chinese Government in 1896 to a railway company formed for the purpose - an organisation nominally private but actually under the complete control of the Russian Ministry of Finance, and by Russian law assimilated to a status of a Government institution. The concession reserves to the Chinese Government not only a right of re-purchase or of eventual reversion, but also a right of participation in the management of the road. Despite this fact, however, the Russian rights had in practice been extended further and further, and Chinese control minimised, until it was at at any rate the contention of the Russian authorities that for all practical purposes the railway was a Russian institution and the railway zone a portion of Russian territory.

tory. After the revolution in Russia, the Chinese had again made effective their right of participation in the management; and there may well have been some foundation for the report which became current early in July that the Government proposed to take advantage of General Horvath's political venture to take into its hands the full control of the railway. Such an intention was promptly denied by the foreign office; but it was at any rate clear that the Chinese fully realised that the railway concession constituted the basis for the whole fabric of economic and political interests which the Russians have built up in North Manchuria, and were apprehensive lest in the weakening of Russian control Japan should be tempted to substitute itself for Russia in the control of the railway, and thus extend its present claim to a sphere of influence in South Manchuria.

Under these circumstances, the proposal made by the American Government in the middle of September to place the whole Siberian railway system, including the Chinese Eastern Railway, under the control of Mr. Stevens and the Russian Railway Service Corps as agents and trustees of the Russian Government, was received with obvious gratification by the authorities of the Chinese Foreign office; for they readily perceived that the establishment of such a commission, acting under the guarantee of our Government that none of the various rights involved would be impaired thereby, would at least prevent any fundamental alteration of their position in reference to the railway. From the first, however, it was manifest that those Chinese who most clearly recognized and most heartily welcomed the American proposal were apprehensive that it would be regarded by the Japanese as an attempt to curb their activities

vities in Manchuria, and would in consequence be resented by them. This became more and more evident as the Chinese continually inquired what response the proposal had received from the Japanese Government; and by the time that it was possible to reply that Japan had notified its acceptance of the American proposal, several of the Chinese Ministries and Military Boards had been advised by Japanese representatives, both civil and military, that their Government did not in fact approve of the project and desired the Chinese authorities to withhold their consent to it. Under these circumstances, the Chinese Government has given no reply to the American proposal.

In the meanwhile the management of the railway has remained in the hands of General Horvath and his organisation, although from time to time both the Czecho-Slovak and the Japanese forces have undertaken to exercise police powers within the railway zone, notably in the suppression of a strike among the employees of the railway early in September.

The embargo which the Chinese Government had placed upon the exportation of Manchurian products into Siberia had been removed before the commencement of the period under review and on the part of certain of the Allied Legations there was an effort to have it again brought into effect in order to prevent supplies coming into the hands of the Bolsheviks; but this was opposed by our Government. When, however, there was a concentration of German-Bolshevik forces at Habarovsk, the Allied Legations all united in obtaining the consent of the Chinese Government to a prohibition upon the export of foodstuffs by the Sungari River (August 30th).

(2) Attitude

(2). Attitude Towards the War.

The attitude of the Chinese people remained sympathetic towards the Allied cause, although not well-informed or generally enthusiastic. The attitude of the Government itself may perhaps be considered disappointing. It was indeed in support of Allied interests that the two Chinese expeditions were dispatched to Hikelsk and to northwestern Manchuria; but in other respects the Government, or individual officials, were apathetic or even lax. The project of interning the most dangerous of the German residents in China, which had been suggested by the Chinese Government to the Allied Legations after the failure of the plan to deport enemy residents to Australia, was treated in a dilatory spirit, and had not been carried into effect at the close of the quarter under review. A project for the establishment of a system of passport control upon all railways and steamships in China was likewise treated dilatorily. The regulations which had been enacted in restriction of trade with enemy subjects were left unenforced. The liquidation of the Shanghai branch of the Deutsch-Asiatische Bank, which had been entrusted to an Italian financial advisor of the Government, was hampered and circumvented under conditions which strongly suggested connivance between certain of of the Chinese authorities and the former German agents of the bank. Although the facts are obscure, there is some reason to believe that the German share in the Ching-Hsing Coal Mining Company was taken over by the controlling coterie in the Ministry of Finance, upon an understanding as to its eventual return to the German interests involved. There seems to have been well-grounded cause of complaint against the Chinese authorities at Manchuli and at Heiho for having permitted or even assisted in supplying provisions to the

German

German-Bolshevik forces. The military Governor of Chahar, while compelling an American Company to discontinue its automobile service between Kalgan and Urga, nevertheless permitted an Austrian subject to operate a car; and several German agents were allowed to pass through his jurisdiction and were arrested only upon their reaching Mongolian territory. In a number of cases the Chinese Government, having arrested enemy agents upon the complaint of Allied authorities, took occasion to thwart the prosecution of them by insistence upon a strained construction of the treaties providing for the presence of foreign assessors in the Chinese Courts at the trial of cases involving foreign interests. In one conspicuous instance, also, the Chief of Police of Tientsin refused to co-operate with the Allied authorities in raiding certain places in the former German Concession where there was good reason to believe that apparatus for the forging of passports was stored by a German organization there.

While the Chinese Government may be judged remiss in these instances, it may be urged that its passivity was the result not of intention but of sheer weakness and of fear of antagonizing certain corrupt officials who were influential in the military clique temporarily controlling the Government. All activities of the Chinese Government in reference to the war had been placed more or less directly under the control of the War Participation Bureau - an organization created with apparently unlimited powers for the ostensible purpose of carrying out Chinese obligations in respect to military co-operation with Japan: but this Bureau, placed under the control of General Hsu Shu-cheng, was used by him primarily as a means of furthering the interests of the Tuchuns' Clique. The forces and the funds at its disposal were

posal were to a large extent devoted to the civil war, and its activities and its control over the action of other organizations of the Government were to a large extent subordinated to the intrigues of the military faction.

B. Foreign.

(1). Relations with foreign countries.

During the period under review, there was little of interest in the relations of the Chinese Government with foreign countries, save for such matters as were incidental to the prosecution of the campaign on the Siberian border (as outlined above) and the conclusion of a series of loans from the Nishihara banking group supported by the Japanese Government, which in spite of its political aspect may best be discussed under the heading of "Financial Information".

In July, announcement was made to the effect that a Treaty of Amity had been concluded with Switzerland. This treaty had been signed in June at Tokyo by the Chinese and Swiss Ministers, and subsequently ratified by the Chinese Government; but its terms have been withheld from publication pending its ratification on the part of Switzerland.

In August it became known that the Chinese Government had arranged for the exchange of diplomatic representatives with the Vatican. Not only was this viewed by the French as an unfriendly disregard of their traditional claim to jurisdiction over Catholics in China, but in view of the indications of German influence in connection with the appointment of the Nuncio selected to represent the Pope in China, several of the Legations united in persuading the Chinese Government to withdraw the agrément already given by it. The Vatican thereupon named another Nuncio who proved likewise to be under suspicion of enemy connections; and the

Chinese

Chinese Government was then induced to take the attitude that the question of diplomatic representation between it and the Vatican should remain in abeyance until after the conclusion of the war.

A very perplexing question was raised in regard to the status of Poles who before the war had been of German or Austrian nationality. While it was felt that, in the interests of the Polish nation to be created hereafter, its citizens should be entitled to the privilege of extraterritorial jurisdiction in China, the difficulty of distinguishing between those who were and those who were not loyal to the Allied cause, and still more the difficulty of finding a legal basis for the exercise of such jurisdiction in their behalf by the representatives of the Treaty Powers, pending the establishment of a Polish Government, proved impossible of solution.

(2). Attitude Towards the United States and Americans.

Among the Chinese people there was no alteration of the traditional feeling of friendship and trustfulness towards the United States; nor was there any diminution of this feeling on the part of the great majority of the officials of the Government. There were, however, several questions in which the coterie controlling the Ministries of Finance and Communications supported monopolies directly infringing American rights. One of these cases, to which reference has been made above, was that of a monopoly claimed in favor of a Chinese Company for the operation of automobiles across the Gobi Desert between Kalgan and Urga; and although upon the advice of the Legation the American Company concerned (the Mongolian Trading Company) consented to reserve the question of its conducting a common carrier service, and undertook to operate its course only for the private business of

ness of the Company; the Central Government supported the Tuchun of Chahar in forcibly preventing even such operations. An attempt was also made to establish a so-called Chinese Trading Company which should have a preference in the furnishing of all supplies required by the Government, and a monopoly of the import and export of such articles as arms, grain, and other commodities requiring Government license.

C. Activities of Enemy Propaganda.

As reported in the case of the previous quarter, there was no systematic enemy propaganda discoverable in China, although a number of enemy agents were from time to time apprehended, and although various German/Austrian residents were undoubtedly active in exerting personal influence upon individual Chinese officials of their acquaintance, to obtrust or thwart the putting into operation of the various projects for the internment of enemy subjects and for the imposition of restrictions upon enemy trade. During the quarter, evidence was received that the "Hilfsaktion", an organization of German and Austrian residents originally formed at Tientsin for the purpose of alleviating the distress of the prisoners in Siberia, in cooperation with the American Red Cross and other philanthropic agencies, was engaged in the counterfeiting of neutral passports and visas for the use of enemy agents; but it appears that the personal influence exercised upon the Chinese Chief of Police (in control of the former German Concession) by Mr. von Hanneken, a leading German resident, sufficed to induce that official to adopt dilatory tactics which prevented the carrying out of a raid upon the suspected premises.

It appears that the main effort of the German and Austrians who have been active in China has been to keep open

so far

so far as possible the opportunities for a revival of enemy trade and industry after the war.

II. ECONOMIC INFORMATION

A. ACTUAL ECONOMIC CONDITIONS.

China was again fortunate, during the past quarter, in suffering none of the natural disasters, such as floods or drouths or bad harvests, which so often cause disproportionate misery and loss of life in this country of inadequate means of transportation, in which, moreover, the margin of bare subsistence is so small. The crops harvested during the quarter have been practically everywhere good or at least average.

These favorable natural conditions have however been offset by the disturbing effects of the civil war and by the alarming spread of brigandage. The methods of conducting the civil war have generally been, on the part of both northern and southern forces, ruthlessly indifferent to the welfare of the people in the area of hostilities. Then, too, the practice of enlisting bandits when soldiers were needed, and dismissing them when economy required, has spread the pest of outlawry broadcast among the provinces affected. It is therefore natural that banditry is (with an exception to be noted) most prevalent in the Provinces of Szechuan, Hunan and Fukien, where operations have been at least nominally in progress; and that in these provinces it has in many cases been impossible to distinguish between the activities of bandits and the operations of the armed forces of north or south. Even in other provinces, however, lawlessness has grown to an unprecedented degree, - apparently as the direct result of the disintegration of governmental authority which has been the corol-

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lary of the prostitution of civil power to the interests of the military leaders. But much the worst conditions of of brigandage have come to prevail in the province of Shantung. For this the blame is in large part due to the Chinese Government which permitted the western portion of the province to be overrun with the remnants of the rabble following of Chang Hsun, upon the suppression of his abortive monarchical restoration movement in July, 1917. But the evil is unquestionably encouraged and aggravated by the conditions incidental to Japan's continued military occupation of the line of the Shantung Railway which traverses the province east-and-west from Tsingtau to Tsinan, the provincial capital. Not only has the authority of the Chinese been weakened by the very existence of a separate and alien administration functioning along the line and in the principal cities, and frequently contesting Chinese jurisdiction; the line itself, under such conditions, furnishes an asylum in case of need, as well as a base of operations: and there is evidence of cases in which brigands have organised and equipped their bands within the railway "zone", and having captured hostages or prisoners for ransom have either kept them on the line or taken them along it to Tsingtao. There has, moreover, not unnaturally, been a considerable influx of rowdies and other undesirables from Japan, who have spread into the province and engaged in immoral or illegal trades, such as the exportation of salt and copper cash, and the importation of opium and morphine and arms, and in some instances have entered into close relations with brigand leaders. It is to be regretted that the Japanese Government has not taken steps to control these <u>soshi</u> in Shantung in the same manner as it undertook to do in Korea in 1896 (See Russo-Japa-

anese

annex Memorandum, printed in Rockhills China Treaties, p. 490).

As a result of such disturbed conditions, as well as of the financial straights of the Government, no new railway enterprises have been undertaken, if we except the Japanese projects in Manchuria, to which more detailed reference will be made hereafter.

2. ATTITUDE TOWARDS THE EMBARGO.

There has been during this quarter no substantial change from the attitude of acquiescence indicated in the Legation's report for the previous quarter. There have, however, been occasional intimations of a feeling among the Chinese that in its restrictions upon imports our Government had not been quite so considerate and liberal towards the interests of Chinese as it had been towards Japanese industries.

III. COMMERCIAL INFORMATION

A. CONSTRUCTION OF SHIPPING

No ocean-going vessels were constructed in China. A contract is understood to have been concluded in the United States in August, however, between the Shipping Board and a representative of the Kiangnan Dockyard of Shanghai, for the construction of three vessels of 10,000 tons each, and a further tonnage of 30,000 if required. In order to build these vessels, which are of considerably greater tonnage than this yard has hitherto undertaken, it has been necessary to construct new slipways - the work on which has been promptly commenced and pushed forward rapidly.

B. LOSSES OF SHIPPING.

The only shipping loss to record for this period in connection

connection with China is that of a small British coasting steamer, the Sungkiang, in a collision off Swatow on August 21st last.

C. DEVELOPMENT OF FOREIGN TRADE.

As in the previous quarter, foreign trade remained almost stagnant except for the constantly growing trade with Japan. In that connection it is to be reported that, following the rice riots in Japan, an arrangement was made (of which, however, no details have been made public) by which the Government authorised an exception from the embargo, established by the Treaties, to enable rice to be exported from Kiangsu and other Lower Yangste Provinces for the relief of the scarcity in Japan. The consequent increase of the price of that staple food in those provinces was a matter of some complaint, though fortunately not of serious character.

IV. FINANCIAL INFORMATION.

A. Loans, Domestic and Foreign.

No Domestic loans were put upon the market during the period under review, except the Fifth Short-Term Loan of the Peking-Suiyuan Railway for development purposes. Subscriptions to the bonds of this loan were open from July 1st to September 30th; the terms were as follows: - Amount, $4,000,000 (Peking currency); issue price, par; interest, 9%; amortization by lot in four annual instalments, at the end of each year, 1909 - 1922.

This quarter was notable for the extraordinary series of loans negotiated with the Japanese interests represented by Mr. Nishihara, to which reference has been made above. These included the following:

Kirin and Heilungkiang Forestry loan; date of conclusion unknown.

unknown, but probably in July; amount, Yen 30,000,000; term, 10 years; interest, 7 1/2%; security, Government-owned forests and gold mines in the two provinces, together with the Government's revenues therefrom; and Kirin-Hueining Railway loan; preliminary contract signed June 18th, providing for the immediate advance of Yen 10,000,000, and stipulating for the conclusion of a final agreement for an amount sufficient to take up this advance and to pay for the construction of the line, upon the following terms: interest, 5%; term 40 years; security, the railway itself (the construction of which is to begin upon signature of the final agreement).

In addition to these loans, which were actually concluded during this quarter, the Nishihara interests were also negotiating for the construction of five railways in Manchuria and in Eastern Mongolia and of two railways in Shantung, although these negotiations were not concluded until later. Negotiations were also carried on for a loan (understood to be for Yen 100,000,000) for the development of the steel and iron industry in China. A political loan of Yen 2,000,000, at 8%, secured on the wine and tobacco revenues, was also under negotiation; furthermore, a credit of Yen 30,000,000 to be extended by the Nishihara banks in connection with the proposal for the establishment of a gold currency system. It was also reliably reported that a military loan for the financing of the expeditions in Manchuria and Siberia was concluded; but no exact details as to the amount or other conditions are thus far obtainable.

The Kirin Forestry loan created intense indignation in the two provinces concerned, whose people felt that the Government was literally selling their resources and encouraging the encroachments of Japan, with no idea of developing the lumbering or mining industries, but solely for the purpose

of obtaining immediate funds for military expenses. This feeling was intensified by the publication in the Peking press of a memorandum, intended to be secret, with which this contract was submitted to the Cabinet by Mr. Tsao Julin, baldly stating that the Government needed the money and that to get it he had been compelled to adopt the subterfuge of making a loan for nominally industrial purposes from the Nishihara group, inasmuch as the avowal of the fact that the money was for political purposes would lead to difficulties with the Consortium and with the foreign governments whose nationals participated therein. The authenticity of the memorandum thus disclosed was never denied; and the acknowledgement thus made in it by the Minister of Finance was confirmed by documents discovered by rioters who raided the offices of the local commissioner in the provincial capital of Kirin.

One of the terms of the Forestry loan was that the Japanese should have a priority in the event of future loans for the development of forests and gold mines of the two provinces. The terms of the agreement was published in the press were drawn to the attention of the Ministry of Finance by the Legation with a request for an authentic text of the document by which the American Government might judge whether it infringed the right of equal commercial opportunity. The Ministry of Finance refused to communicate the text, but quoted certain provisions which clearly established the priority in favor of Japanese interests, and maintained the right of the Chinese Government to grant it. This contention, if maintained, would go much further towards restricting equality of opportunity in China than did the 1909 agreement concerning mining in Manchuria - in respect to which both the Japanese and the Chinese Governments gave assurances that the rights claimed were not general, but such as related to

specific

specific mining areas selected for development.

The Kirin-Hueining railway project is one that has of course been in prospect since Japan first obtained the right of building the branch line from Changchun to Kirin. This extension from Kirin to the Korean border would connect with a railway already built from the port of Chyongjin, on the northern coast of Korea. A line connecting this point with the main Korean system at Wonsan has long been marked as projected on the maps published by the Japanese Government-General of Korea. Although the country through which the Kirin-Hueining line would pass is almost unknown, there is some reason to believe that the railway would have a commercial, as well as a strategic value. It is to be regretted, however, that this otherwise legitimate project is saddled with the advance of Yen 10,000,000, which has already been spent for military purposes.

The negotiations for five railways in Manchuria were at the time understood to relate to the five lines (Szupingkai-Chengchiatun-Taonan, Changchun-Taonan, Jehol-Taonan, Kaiyuan-Hailung, and Hailung-Kirin) for which concessions were granted to Japanese interests by a secret exchange of notes in October, 1915. From a subsequent statement made by the Japanese Ministry of Finance, it appears, however, that the negotiations also included a line from the Jehol-Taonan railway to the sea (presumably at Hulutao) which is a wholly new project and which is perhaps in conflict with the existing rights of British interests in respect to branch lines of the Peking-Mukden Railway. The railway lines in Shantung are understood to include an extension of the Shantung Railway from Tsinanfu to Shuntefu on the Peking-Hankow Railway, and a line from Kaomi (near Tsingtao) to the junction of the Tientsin-Pukow, and Lung-Hai railways, at Hsuchowfu. The construc-

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tion of these two lines had been conceded to German interests by a secret exchange of notes in December, 1913; and it is to be supposed that the Nishihara group is seeking to obtain a reversion of those German rights in Shantung Province.

No reliable information is thus far obtainable in regard to the negotiations for the loan to be used in establishing the Chinese iron and steel industries; but it is generally understood that the plan involves placing under Japanese control the iron mines of Penghuangshan and Molingkuan.

It is still unknown whether or not the proposed credit of Yen 80,000,000 to be extended by the Nishihara group for the establishment of a gold currency in China has actually been concluded; it appears certain that it was under negotiation, and that in spite of the denial of the Ministry of Finance, at least an agreement in principle had been reached, when, suddenly, on August 11th, the Government promulgated Regulations for the establishment of a Currency Bureau and for the issue of Gold Currency Notes. Immediately upon publication of these Regulations, the Ministry of Finance communicated them to the Bankers' Consortium, and proposed that they be made the basis of negotiations for the loan contemplated by the Currency Reform Loan Agreement of 1911, the option under which had been from time to time renewed so as to be in force until October 14, 1918. The proposal for the immediate establishment of a system of gold currency in China must be considered fantastic; the constant opinion of all financiers who have studied the complicated problem of Chinese finance has been that the unification of the multitudinous silver currencies is a necessary preliminary step. A memorandum published by the Ministry of Finance made the project appear all the more fantastic

inasmuch as

inasmuch as it indicated that the currency notes to be issued by the Government would in practice be redeemable only in produce of the country where the gold credit was held - i.e., apparently in Japan. It was felt by the Consortium bankers and by the interested Legations that the proposal to negotiate for a loan on the basis of so unsound a project of currency reform was in fact a mere device by which the Minister of Finance hoped to tempt them into sacrificing their option by a refusal to negotiate on such a basis - thus leaving himself free to negotiate with the Nishihara interests. Protest was promptly made by the four Legations to the Chinese Government against its having thus adopted and promulgated the Regulations in disregard of the right of the Consortium to be consulted in reference to any such variation from the plan of currency reform proposed about a year previously by Mr. Liang Chi-chao when Minister of Finance - a plan which the bankers had indicated their willingness to accept as a basis for the proposed Currency Loan, subject to certain further information concerning details, which was still awaited. In this protest the Japanese Legation joined with the others, adding a further protest against the adoption of so radical a measure without having consulted with Baron Sakatani, whom the Chinese Government was stated to have undertaken to engage as Financial Adviser. Upon receiving from the Ministry of Finance an uncompromising reply and a request to take up negotiations on the basis of the Regulations, the bankers appear to have become alarmed lest an unyielding insistence upon the protest might lead the Ministry to refuse any renewal of their option upon its expiration in October. They therefore induced the four Legations directly interested (British, French, Japanese and Russian) to reply that their respective groups in the Consortium would consent

to

to discuss the question with the Minister of Finance. This effort to evade the issue until a renewal of the option had been obtained proved most unfortunate: it was interpreted as an indication of weakness; and not only were the Minister of Finance and his coterie induced to assume an arrogant attitude towards the Banks and towards the Legations interested; the Minister himself (to carry the account somewhat into the subsequent quarter) had the effrontery to inform the Cabinet that the four Ministers had withdrawn their objections to the gold currency scheme and even expressed themselves as gratified with it - a misrepresentation which led to considerable difficulties before the renewal of the option could be arranged. In consequence of the withdrawal of the American Group (in 1915) from participation with the other members of the Consortium in business under the Currency Reform and Reorganization Loan Agreements, there was no American contractual right envolved; but our Government took occasion, during these discussions, to make clear once more the position it had taken a year previously - that apart from any question of the contractual rights of its nationals, the whole history of the question of Currency Reform is China has given the American Government a right to be consulted in reference to any solution of that problem.

The rumor that a political loan was being negotiated on the security of the Wine and Tobacco Revenues occasioned some apprehension in regard to a direct contractual right of Americans, as the loan made by the Chicago Continental and Commercial Bank in 1916 was secured upon that revenue, and negotiations carried on during 1917 by the representative of the Chicago Bank had given it a conditional option upon a priority in respect to the use of that revenue as security for further loans. The apprehension felt in regard to these rights was increased by the unwillingness of

the Minister of Finance to confirm in writing an oral promise that the Chicago Bank would be first consulted before the hypothecation of these revenues for other loans, and still more by his ultimately stating that the bank had waived all rights by breaking off the negotiations, last year, whereas the fact was that the Chinese negotiators had asked the bank's representative to allow them time to carry out certain preliminary arrangements, before proceeding further in the matter. It is not believed, however, that the rights of the Chicago bank have been compromised, as the rumors of of the conclusion of the loan on that security have not been verified.

A loan made in April last by the Chosen Bank to the Provincial Government of Fengtien (Mukden) had during this quarter a most demoralising effect upon foreign trade in southern Manchuria. The finances of the province have for some years been in indescribable confusion, both governmental and private Chinese banks having issued irredeemable paper currencies, on the basis of the "small-coin dollar", which have greatly depreciated. From time to time loans have been made from the Japanese Banks to redeem these issues - under conditions which encouraged speculation and facilitated the exportation of such actual silver currency as was in circulation. The loan of last April, for Yen 3,000,000 (issue price, 95; interest, 6 1/2%; security, the Chinese portion of the shares in the Sino-Japanese coal mines at Penhsihu) was for the purpose of such redemption, and an accompanying agreement obligated the Provincial Treasury to guarantee the re emption of depreciated small-coin notes for Japanese holders at a rate averaging perhaps as much as 50% better than the market rate. The effect of this enormous advantage in favor of Japanese traders was to drive out of competition the branches of other foreign firms

in the interior, where only the small-coin money is current, and to force them to the use of the Japanese gold yen in the towns along the railway where that currency has been largely introduced by the Bank of Chosen itself. Protest to the Chinese Government elicited only a denial by the Provincial authorities of the existence of this entirely well-known arrangement. Both the American and British Governments were compelled to notify the Chinese Government that they must hold it responsible in damages for the losses of their nationals in consequence of this discriminatory arrangement; but even the payment of all direct claims on this score could scarcely compensate for the far-reaching effect of making southern Manchuria almost a closed field for foreign commercial enterprise.

B. Fluctuations of Exchange.

Throughout the period under review, the price of silver continued to rise, with an intensification of the results indicated in the last quarterly report. The following table furnished by the International Banking Corporation gives, in Mexican (Peiyang) dollars the highest and lowest buying rates of $100.00 Gold during each of the three months, indicating the date of each quotation:-

	Highest	Lowest
JULY	121.63 (July 3rd)	118.97 (July 31st)
AUGUST	118.97 (August 1st)	111.49 (August 30th)
SEPTEMBER	111.44 (September 2nd)	101.28(September 20th)

Respectfully submitted,

Chargé d'Affaires.